Report on Oil & Gas: pp. 8, 49-88

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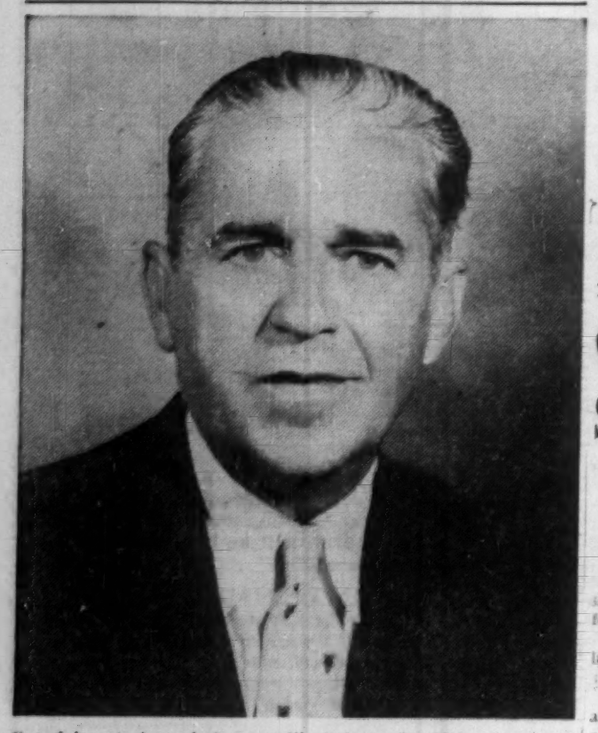
New Oil Record



Canada's petroleum industry will chalk up its 10th consecutive production record this year — an estimated 185 million bbl. of oil for a total revenue of about $450 million. Though some near term marketing clouds are gathering, the growth outlook is as bright as ever, industry leaders claim (see oil and gas feature report pp. 49-88). Ruby Clifford Brown, president of Hudson's Bay Oil & Gas, is chairman of the Canadian Petroleum Association, the 380-member body representing about 97% of the industry.

NATION'S BUSINESS

Business Outlook Far From Gloomy

What are the prospects for Canadian business in 1958?

Results of the FP's latest business survey, to be found on page 25, reveals a sturdy element of optimism. Nearly 75% of senior executives asked for their forecast expect that 1958 sales will be better than 1957 or as good.

Their confidence is paralleled in a statement by Gordon R. Ball, president, Bank of Montreal, to shareholders at the bank's annual meeting this week:

"It is precisely because this year's business trends have been of the nature of a readjustment — and a very moderate one — that I am *not* among those who regard the business outlook with pessimism."

Mr. Ball went on to say: "This is one of these times — such as have occurred before and will occur again — when the stride of business is shortened for a while and when quiet confidence, rather than restive concern, is called for and later proves justified."

Executives in Canada's pace-setting industries, questioned by the FP, evidently share this belief. Half of those replying predict a gain in sales by their companies next year. Nearly one quarter expect 1958 to be about the same sort of year as 1957. A minority of slightly more than one-quarter look for a decline.

As Mr. Ball points out, there has been a slowing down in the pace of business during the current year. Expenditures for all goods and services rose by a spectacular 24% in the two years 1955 and 1956, dipped slightly in the first half of 1957 and may have differed little in recent months from the rate reached a year ago.

Modified Optimism

FP outlook surveys have revealed some decline in business expectations over the past half-year. Of those executives who in mid-1957 predicted 1958 sales, 23% looked for major gains; 50% for modest increases; 18% for no change and 9% for decreases, mostly modest. Current forecasts by these executives modify the optimism of midsummer, when in fact the boom was just cresting. Today, of these same executives, only about half as many look for major gains, fewer look for modest gains and more predict little change or lower sales.

Commonsense business planners will not find anything very discouraging in the downward revision. The "very moderate" readjustment Mr. Ball speaks of may not be a bad thing for the economy and its members. With an abating of the underlying pressures that started inflationary trends, Mr. Ball predicts, prices will stabilize soon again.

"A nation's ability, or otherwise, to preserve the purchasing power of its money" says Mr. Ball, "is an indication of the degree of intelligent self-discipline displayed by its government and its people in the conduct of economic affairs."

In other words, a slight diminution in the rate of growth is a small and reasonable price to pay for the braking of inflation. We can face 1958 with confidence.

* * *

Better Pay for Professors

This year Canadian universities across the land gave their professors salary raises which probably averaged about 17%. They did this to avert what many administrators felt would be an unparalleled decline in the quality of persons entering university teaching.

Professors were not being paid enough. Their buying power had gone up only 5% since 1937-39; the buying power of many other Canadians had doubled in the same period. Able men were not entering university teaching in sufficient numbers. (The facts of this relative decline are set out in a report on pages 3 and 17).

The situation was like that at University of Padua in 1599 when its senate, reluctantly and under pressure, gave the physicist Galileo a 7% raise, observing sourly that "professors should eke out their income by their private lessons."

The "teacher's certificate" of the Canadian professor is the Ph.D. degree, which requires an able, and often brilliant, university performance for 7-8 years; a professorship normally comes after 15-18 years' teaching. Until this year, many Canadian universities were asking men with this standing and experience to compete for salaries below the $6,000 level. Many attempted to "eke out their income by their private lessons," but the recent rate of entry into the profession has been far below the rate which the expansion of the next ten years will require.

Canadian industry has a record of generous giving to the universities; so have many individuals. But one feature of these private gifts is that most are given for specific "solid" objectives like buildings and research projects. There are few unrestricted gifts which the universities might use to pay professors. The federal government recognized this a year ago by offering another $8 million, in unrestricted grants, substantial portions of which were distributed in this year's salary increases.

The Gordon Commission suggested "substantial" salary boosts for university teachers plus "raising and improving" their whole situation. This year's increases, plus others planned over the next two years, are a move in the right direction. It may be that, as the Commission suggested, "no other single course of action (will) be so likely to have such an important and fundamental effect upon the long-term economic prospects for Canada."

A LOOK AT '58

Our Capital Spending Stays Hefty, Healthy

The year ahead through executive eyes, p. 25 . . .

By DALTON ROBERTSON

Business planners are now sharpening their pencils for final forecasts of business 1958.

Biggest question of all: How large will next year's capital spending be?

Without a good estimate it's almost impossible to predict the over-all economic climate in which the individual industry and specific company will operate.

Best FP forecast based on a survey of leading Canadian companies: **Down 5%-10% from 1957's record $8.8 billion.**

Lots of jobs, higher paycheques and fast-moving sales of consumer goods have characterized the 1955-57 boom.

High Spending

But it has been exceptionally high spending on new plant and equipment that has been the driving force behind rapid economic expansion.

This year's capital spending at over one-quarter of total gross national product is 11% higher than last year's. In 1956 the year-to-year advance over 1955 was 24%.

Today, with industrial capacity caught up to demand, cutbacks in spending on new facilities appear to be in order.

Biggest decrease appears likely in firms manufacturing durable goods and equipment, especially iron and steel products, in pulp and paper companies and in building materials and construction companies.

Although not offsetting these decreases, it's likely that increased spending will be undertaken in 1958 by utilities, merchandisers and oil and gas companies.

This could spell a decline in the business sector of close to 10%. But higher spending in the public sector will help minimize the over-all drop.

Forecasters expect higher spending on roads, schools and various public institutions and buildings.

A 5%-10% decline in new capital spending is not regarded by business economists as at all ominous.

It is likely to mean only a period — perhaps four quarters — of mild readjustment in the economy.

It is likely that it will mean year-to-year increases in employment, labor income and business profits will be smaller than over the past few years.

But increases will very probably still be the order of the day.

Industrial production is not likely to fall by a similar proportion. On the contrary, sales outlook is buoyant.

Predictions of sales gains by leading companies are twice as numerous as forecasts of lower 1958 sales.

Current estimates of next year's decline in U. S. capital spending place the drop at 6%-7%. Increase of 5.5% during 1957 was less than one half the size of the Canadian advance.

Inside

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Behind the Russian Sputnik-makers stand professors with unmatched prestige, honor, benefits and $40,000 salaries. Canada's challenge? Our profs consider their occupation a depressed occupation ..... p. 3

Hard Cash from Soft Straw

A new $3.3 million Saskatoon plant is making board from straw for the growing prairie market ..... p. 27

Look Before You Build

Diamond drills can save money as well as find it in minerals. Soil engineers can tell you whether your new building is safe, sound and feasible ..... p. 31

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There's a ripe market in fast-rising East Africa for the kind of goods Canada makes best ..... p. 18

Piggyback Truck Transport

This revolution in Canadian freighting soon may spread across Canada, perhaps ending a long feud ..... p. 37

Books for Christmas

A special FP selection of books for Christmas giving ..... pp. 10, 11

If You Give Fast Delivery Russia Wants Machinery

By JACK McARTHUR

MONTREAL (Staff) — Canadian machinery makers can market delivery dates to Russia.

On the import side, Russian state traders this year are offering to sell at prices, some of which are as much as 30% below last year's levels.

That's the report in import-export circles, buzzing with speculation on the significance of a nine-man Russian trade mission now in Canada.

This, apparently, is an on-the-level Russian attempt to pep trade with Canada.

It's hoped in Canadian circles that the Russians won't make an issue of restricted materials, which Canada will not sell to Russia.

This would be a measure of their sincerity.

So far there's no propaganda hoopla.

Firm transactions are expected to result shortly.

The Russians are looking at:

Industrial machinery in a number of fields; mining, logging, oil, fish processing, canning, papermaking.

In many cases, they want quick delivery. They could get similar machinery from U. K. or Europe, but don't want to wait for delivery.

So interested is the mission

(Continued on page 8, col. 3)

ON TO MONTREAL!

Oil 'Competitor' May Stir Volcano

Watch for a new company with pipeline plans . . .

By W. L. DACK

Watch for a new company with plans to pipe Alberta oil to Montreal, competing with **Interprovincial Pipe Line Co.**

The company — sponsored by a group of Alberta independent oil producers — has applied for a federal charter.

Suggested corporate name was East Coast Transmission but this has been turned down by Ottawa and a new name is being sought.

It really hasn't much chance of government okay, but it could:

- **Fan into hot political fire** the whole controversial issue of the Montreal market for Canadian oil.
- **Call for a complete re-appraisal** of Canada's future oil marketing position.
- **Raise important government** decisions on the oil tariff front.

The whole issue involves the need for bigger markets for mounting Canadian oil supplies; and particularly from heavily "shut-in" fields in Alberta.

The pressure to secure a new pipeline market for Canadian oil in Canada's No. 1 refining centre — Montreal — will wax or wane in the months ahead with the U. S. government's policy on oil imports.

Washington's stiffening attitude against imports has clouded the whole marketing future for Canadian oil, at least over the near term.

Right now even the status of what had been considered a virtually assured export outlet — the U. S. Pacific northwest — **is uncertain.**

If this most promising outlet —forecast to take around 400,000 b/d of Alberta oil within five to eight years — is to be sharply limited where is the mounting surplus of Canadian oil to go?

The other major U. S. outlet — the midwest — is already included in the import regulations set up several months ago.

Almost to a man, Alberta independent producers claim Montreal is the answer.

There is a market for Canadian oil there of over 200,000 b/d — all now served by imports.

This would mean:

- **A whopping 25%** jump in markets for Canadian oil.
- **A new spurt** in flagging exploration and development activity.

An extensive survey of the economics of the Montreal mar-

(Continued on page 8, col. 5)

Anaesthetists Form Own Mutual Fund

A group of Canadian doctors have banded together to form their own mutual fund.

Called the **Canadian Anaesthetists' Mutual Accumulating Fund Ltd.,** it is designed to provide a savings program tailored to the needs of the medical and dental professions.

Dr. R. A. Gordon of Toronto, president of the fund, says the new mutual fund is not being set up in opposition to the common stock fund organized by the Canadian Medical Association (FP, Aug. 31).

The CMA fund, he explains, is a registered plan under provisions of the Income Tax Act designed to provide income for retirement purposes. The Anaes-

(Continued on page 9, col. 2)

Installment Sales Climb Halted, Say Finance Firms

On-the-cuff buying of cars, trucks and other durable items is leveling off.

Sales finance companies predict total retail credit outstanding on their books by year-end 1957 will be $1,050 million, only fractionally higher than a year ago.

This contrasts with trends of a year ago when installment finance firms reported a 30% increase in retail debt outstanding during 1956.

Year-to-year jump during 1955 was 21%.

Observers believe this leveling of installment debt—most volatile of all forms of consumer credit—reflects this year's lower motor vehicle sales and currently lighter demands for credit of all sorts.

It also makes unlikely any resumption in the near future of Bank of Canada criticism voiced earlier this year, it is predicted.

In his annual report the Bank's governor said he considered the rapid growth of installment credit out of step with the trend in official credit policy and implied it was an inflationary force. (FP, March 16).

At this week's first convention of the Federated Council of Sales Finance Companies, officials indicate that 97% of retail credit outstanding on their books at Dec. 31, 1956 would be repaid within the 24 months ending Dec. 31, 1958.

Some 88% would be repaid in the 18 months ended June 30 next year and about 72% of a year ago's outstandings will be repaid by the end of this year.

Here's Way Car Dealers Think About Proposed Cut in Taxes

By RODNEY TOUCHE

It's wrong to assume that a sharp upswing in car sales will automatically follow reduction in the excise tax.

Despite their public comments on the recent rumors, auto dealers have no illusions about the effect of cutting the tax.

They know that most new cars are sold on trade-ins.

And while a cut in the excise tax may mean 3% off the list price of a $3,000 car, it also means 3% off the value of a used car.

The net saving is only $20-$40.

A far bigger factor slowing sales may be the "frills" built into the new models.

One sign this week:

Nova Scotia's Colchester County Federation of Agriculture demands duty-free admission of small European cars on the grounds that North American cars are now too expensive.

Meanwhile, United Auto Workers says it "looks with alarm" at the steadily increasing number of small cars being imported into Canada and the effect on auto workers' employment.

All Signs Point to Deficit In First Full Tory Budget

By MICHAEL BARKWAY

OTTAWA (Staff) — The first full budget to be presented by the Conservative government — for fiscal year 1958-59 — will be a deficit budget.

And the deficit will probably run into several hundred million.

This is the only answer that students of finance can find to the question:

"Where can the Tories find the money for the new spending they have announced?"

Here are the bare facts leading to this conclusion:

- **Additions to federal expenditure** already announced will come to nearly $300 million in the next full financial year.

The promised "elimination of waste and extravagance" may make some savings, but not on this scale.

- **This excludes the new** and more generous deal promised to all the provinces, which won't mean much if it doesn't cost a few hundred million.

It also leaves out $200 million-$300 million of extra cash to be disbursed in the form of "loans or advances," which are not covered by budgetary accounts.

- **Tax revenues on the existing basis** are already beginning to respond to the lower pace of business.
- **Promised tax cuts,** to be announced soon, will reduce revenues further even if the cuts turn out to be modest.

With the slowdown in business, a deficit will be perfectly acceptable on the Keynes' theory of "anti-cyclical budgeting."

(This calls for surpluses in buoyant times and deficits to stimulate the economy in slack times.)

Mr. Fleming has often attacked the theory; but office makes Keynesians of them all.

(Details, p. 14.)

Uranium Gets Another Lift In Outlook for Big Ships

By LEONARD BERTIN
(FP Science Editor)

More good news for Canada's uranium industry:

Nuclear-powered ships of big tonnage are not only economic, but appear to be cheaper to operate than conventionally powered vessels.

In nuclear power plants of more than 50,000 shaft hp, fuel costs would be "far less" than for oil fueled ships.

Source: Sir Christopher Hinton, ex-chief of the U. K. Atomic Energy Authority's industrial group, in a report on the economics of nuclear ships.

He reported in conjunction with R. V. Moore, who supervised the building of the Calder Hall atomic power station.

They said it was not possible now to foresee a nuclear plant that would be economical in small ships.

But reactor furnaces for ships of 20,000 tons and less would almost certainly become available within 10 or 20 years.

Cost of oil fuel for a ship of 100,000 tons dw would average:

- **0.6c per shaft hp per hour,** with oil costing $19.80 ton.
- **0.48c per shaft hp per hour,** with oil costing $17.90 ton.

Comparable costs for uranium fuel for a nuclear unit of the same output:

- **0.28c per shaft hp per hour** if the fuel were left in the furnace long enough to produce power output of 3,480 megawatt-days per ton of fuel.
- **0.18c per shaft hp per hour** if the fuel were left in the furnace long enough to yield twice the power output above.

THE SIGNS AND PORTENTS

LEASEHOLD LAND for housing may be available in Canada next year. Scheme now brewing in Ontario (subject to final approval by authorities) provides land on a 90-year lease and a house for purchase on a 20-25 year mortgage. Result: 20% cut in purchase price. Leasehold sites have already caught on with industry.

* * *

ONLY AUTO maker in the Big Three without a small car to its name, Chrysler is now reported to be considering a plan to buy out a company like Auto-Union, the West German maker of the tiny DKW.

* * *

NEXT YEAR could well be "the biggest year in the major home appliance industry," forecast W. C. Cannon, president, Frigidaire of Canada, at a GM meeting in Toronto. He said that 1957 would be 7% down on record 1956.

WATCH THE NEW U.S. drive for more emphasis on science. It could hit Canada and the U. K. more than it helps the U. S. if it lures top men across the border with increased incentives. The net result would be a loss for NATO.

* * *

NOTE HOW Soviet helicopters soar, Sputnik, the ICBM and the giant jet-liner have overshadowed another outstanding achievement, the Mi-6 helicopter. It recently lifted 26,464 lb. to 7,874 ft., doubling the previous world record held by a U. S. Sikorsky S-56 (lifting 13,250 lb. to 6,560 ft.).

* * *

RUSSIAN SCIENTISTS are reported to have extracted uranium from sea water. The method is thought by Western scientists to be similar to the uneconomic one tried some years ago for extracting gold.

* * *

CULINARY ART must be improving. Queen's Printer in Ottawa is stunned with demand for its book — Meat: How to Cook, How to Buy. By trade standards for Canadian works, this 50c volume has already become a best seller (13,000 copies to date), looks headed for an astounding total of 25,000.

* * *

LATEST TESTS of long-range television show interesting results. A standard British receiver, unmodified, picked up in New York routine programs put out from London on several successive days. (Distance: 3,000 miles).

* * *

BIG PROFITS in specially handled uncirculated Canadian coins. A six-coin "Mint set" (cent to dollar, face value $1.91) available from Ottawa earlier this year for $2.50, is now listed by coin dealers at $3.95. Last year's sets list at $8 and 1948 sets at $50.

DAY MAY COME when Volkswagen introduces automatic transmission. A number of patent applications have just been filed by the company in Germany. They cover an automatic, hydrostatic transmission developed by Volkswagen engineers.

* * *

GREY CUP grossed $390,000, a record for Canadian football. Here's where it came from: Gate receipts $215,000; TV sponsors $125,000; radio rights $27,500; movie rights $20,000; program sales $2,500. (Score: Hamilton 32, Winnipeg 7.)

* * *

LATEST TARGET in low-cost housing is a three-bedroom, no basement, detached home around $7,000 plus land cost. Work has started on a site at Preston, Ont., backed by National House Builders Association with a direct loan from Central Mortgage & Housing Corp.

Stock Market Highlights

Industrials

Canadian **industrial** stocks rebound briskly from a brief slump but the recovery lacks continued strength and prices settle into a narrow path. For details, see p. 4.

Beaver Club buys two **Steel Co. of Canada** common shares. Manager of this investment club also makes a report covering activities and results of the past year. For details, see p. 15.

Mines and Oils

Mining and **oil** stocks are irregular with activity slowing to a crawl. For details, p. 45.

Oil and **gas** issues attract some demand for selected advances. Buyers appear to be concentrating on leaders.

VIKING **HI-FI**

. . . not just reproduction, but breathtaking realism!

With superior-quality components, vibration-free cabinet designs, years of "field testing" — "Viking" sound engineers have achieved a remarkable absence of routine reproduction in high-fidelity — replaced it with a startling realism, rarely found in hi-fi at any price!

Illustrated: an excellent example of "Viking" furniture craftsmanship in solid wood veneers, hand-rubbed to a satin-smooth finish. Three acoustically balanced speakers, completely enclosed in a wooden compartment; 20-watt amplifier; 9-tube AM/FM tuner. From the "Viking" masterpiece collection of high-fidelity . . . only at

EATON'S OF CANADA

Trend of Business

Level of industrial production eases during September. The unadjusted index stood at 292.3, or 2.2% below the index for a year ago. The seasonally adjusted index for the month fell to 282.4, a decline of 1.7% over the year. For the first nine months of 1957, the unadjusted index averaged 285.7, 1.5% above the 1956 average of 281.5.

Manufacturing industries showed the greatest decline during September with the unadjusted index at 285.7, down 3.6% from a year earlier. Durable manufactures dropped 9% to 321.3. Non-durable manufactures, with an index at 263.0, were 1.1% above September 1956. The composite manufacturing index declined from 284.4 to 283.7 in the nine months.

Mining production moves against the general trend during September, rising by 4.8% with the index at 323.4 During the first nine months the index advanced 8.7% over the average for the same period last year.

Railway car loadings still running lighter. Number of cars loaded second week in November were 8.6% fewer at 78,161 than last year. Year-to-date loadings declined 8% to 3.9 million cars. Commodities moving in reduced volumes included coal, iron ore, lumber, pulpwood, sand, gravel and crushed stone. Significant increases in loadings were reported for grain and livestock.

Painters to be busier this year than last. Sales of paints, varnishes and lacquers totaled $10.2 million in September, almost 9% larger than a year ago. This brought nine-month total sales to $101.6 million for a gain of 6% over the previous year.

Labor income rises 6.3% to $1,348 million in September over same month last year and 1% above the August level. Nine month labor income was up 8.7% to $11,412 million from last year's comparable total of $10,498 million. All main industry groups reported gains. September totals were: agriculture and mining, $103 million ($99 million a year earlier); manufacturing, $405 million ($392 million); construction, $114 million ($110 million); utilities and communication, $350 million ($324 million); finance and government, $330 million ($299 million), and supplementary labor, $46 million ($44 million).

Gold production up 5.7% in September over a year ago, but down slightly (0.3%) in the nine months. Totals by provinces were: Newfoundland and Nova Scotia, 720 fine oz. (756 a year ago); Quebec, 86,595 (78,857); Ontario, 208,724 (196,470); Prairies, 16,201 (15,990); B.C., 16,467 (17,714); Yukon, 17,244 (15,548); and N. W. T., 27,637 (27,958).

Capital inflow smaller in third quarter. Money entering Canada from security transactions amounted to $134 million, a fall of more than one-half from the preceding quarter's record total of $306 million. Principal reason for the decline in net inflows was a "fall-off in the proceeds of new issues of Canadian securities sold abroad," according to DBS.

Rubber consumption shrinks during August. Use of natural, synthetic and reclaim rubber was down 7% to 18.6 million lb. from the same month last year. Rubber going into tires and tubes fell 8% to 12.4 million lb.; that used in wire and cable dropped by 20% to 0.6 million lb. Larger amounts were used in the production of footwear.

Bumper baby crop in October boosts net natural increase in Canada's population to 31,087 for a rise of almost 17% in the excess of births over deaths as compared with a year ago.

Major Weekly Indicators

	Latest Week	Week Ago	Month Ago	Year Ago
Department store sales, % from year earlier	...	—2.2	+8.1	+1.9
Carloading totals ..... (cars)	78,161	83,868	76,014	85,561
Eastern Canada ..... (cars)	50,639	53,652	49,616	56,694
Western Canada ..... (cars)	27,522	30,216	26,398	28,867
Iron and steel mfg. ..... (cars)	1,237	1,323	1,119	1,290
Ores, concentrates ..... (cars)	7,636	10,690	13,096	9,065
Base metals ..... (cars)	748	784	546	787
Lumber, timber, plywood.. (cars)	3,292	3,619	3,366	3,946
Cement ..... (cars)	487	632	802	647
Passenger car production .... (no.)	8,756	7,672	6,205	9,405
Truck production ..... (no.)	1,395	1,243	1,323	2,126
Bus. fail., 4-week moving av... (no.)	29.0	30.0	27.5	32.0
Chartered Banks				
Personal Savings .... ($ millions)	6,195	6,265	6,160	5,969
Loans outstanding ... ($ millions)	5,451	5,341	5,330	5,487
NHA mtge. holdings.. ($ millions)	562	557	544	482
Bank of Canada holdings of				
Securities ..... ($ millions)	2,497	2,515	2,550	2,391
Short-term govern. .. ($ millions)	1,327	1,233	1,344	995
Long-term govern. .. ($ millions)	1,118	1,133	1,159	1,361
Other securities ..... ($ millions)	16	14	12	16
Canadian dollars (U.S. cents. av.) ..	103.519	103.984	104.282	104.334
T.S.E. industrial index	410.80	402.44	403.40	451.35
Yield, 114 stocks	5.44%	5.50%	5.71%	5.17%
Bank Clearings:				
Montreal ..... ($ millions)	855	1,061	806	689
Toronto ..... ($ millions)	1,334	1,425	1,085	953

Facts by the Month

	Latest Month Available	One Month Previous	Two Months Previous	One Year Previous
WHAT WE PRODUCE—				
•In all Industries (Index)	292.3	286.5	282.4	298.8
•In factories (Index)	285.7	283.1	276.2	296.5
•Total nondurable goods (Index)	263.0	257.4	248.7	260.2
Food & bev. (Index)	288.6	280.4	280.2	272.7
Textiles (Index)	177.8	...	180.9	163.1
Clothing (Index)	149.6	137.4	141.8	151.2
Chemical products (Index)	297.6	294.5	320.5	297.4
•Total durable goods (Index)	321.3	323.4	327.1	353.5
Iron & steel products (Index)	302.4	308.3	332.3	320.0
Primary iron & steel (Index)	386.7	388.5	407.7	412.0
•From mines (Index)	323.4	305.3	307.0	308.6
Metals (Index)	172.3	164.4	167.1	149.6
Nonferrous smelting, refining (Index)	221.3	218.3	215.7	294.1
Gold (Index)	100.4	102.0	103.7	98.9
—From farms				
Cattle delivered (000)	216	159	153	198
Hogs graded (000)	457	302	318	450
Flour (Index)	120.0	119.3	124.1	137.6
—From sea				
East Coast catch ($000)	5,080	7,500	7,992	4,421
W. Coast catch ($000)	3,394	8,165	6,691	4,514
—From forests				
Newsprint (000 tons)	549	486	560	582
Pulp (000 tons)	886	782	892	948
—In powerhouses				
•Electricity (million kwh. guaranteed)	6,964	6,919	7,146	6,887
WHAT WE SELL—				
Retail sales ($ millions)	1,174	1,248	1,203	1,187
Dept. store sales ($ millions)	111.3	98.1	84.0	106.3
Wholesale sales ($ millions)	634	653	671	621
Mfrs. outstg. orders ($ millions)	2,750	2,858	2,917	2,940
Pass. car sales (units)	26,165	31,348	41,803	25,899
WHAT'S ON HAND—				
Mfrs. inventories ($ millions)	4,842	4,284	4,824	3,970
Dept. store stock sales ratio	3.7	2.8	2.7	3.6
SPENDING, SAVING POWER—				
•Labor income ($ millions)	1,348	1,337	1,312	1,268
Dividend payments (Index) (annual rate)	323.3	326.6	326.7	312.6
JOBS—				
Persons with jobs (000)	5,797	5,854	5,957	5,674
Jobless seeking work (000)	208	194	174	98
Do. (% of labor force)	3.6	3.2	2.8	1.7
CONSTRUCTION				
Contract awards ($ millions)	218	338	248	258
FOREIGN TRADE—				
Exports ($ millions)	424	437	449	409
Imports ($ millions)	447	473	483	437
MONEY—				
Money supply ($ millions)*	11,313	11,174	11,181	11,131
Cheques cashed ($ millions)	16,180	16,264	19,160	14,801
•Life insurance sales ($ millions)	363	335	328	303
Notice deposits ($ millions)	6,765	6,666	6,630	6,418
Current public loans ($ millions)	5,570	5,499	5,482	5,290
PRICES—				
Consumer price (Index)	122.4	123.3	122.6	119.8

Index based: production wholesale sales 1935-39=100; consumer price index 1949=100; manufacturers' inventories outstanding orders Dec., 1952=100.
*Total deposits, less Govt. of Canada deposits, less float, plus notes in circulation outside the banking system.

STRATEGIC MATERIALS—Production and Supply—

	Latest Month	Month yr. ago	Yr. to date	% chge. yr. to date
Steel ingots and castings (000 tons)	434.9	452.3	3,544.2	+9.5
Primary copper (000 tons)	30.1	31.1	254.2	—4.1
Nickel (000 tons)	15.4	14.5	143.1	+6.9
Lumber exports (millions fbm.)	332.1	371.6	2,011.4	—15.3
Lumber (millions fbm.)	731.2	799.8	4,252.4	—10.8

•New item this week.

Date of issue for your file, The Financial Post, Dec. 7, 1957.

Unions Want $128 Million Can Railways Afford It?

MONTREAL (Staff)—Labor and railway leaders met in Montreal this week to discuss the biggest-ever contract demand by the 150,000 members of nonoperating rail unions (**FP**, Nov. 16).

Talks in the downtown Windsor Hotel, behind closed doors, broke down after three days.

Cost of granting demand: An extra $128 million a year.

Indications this week were that long and grueling discussions, running through conciliation and possibly even compulsory arbitration, lay ahead.

Faced with falling revenues and rising costs the railways are having financial troubles now. The added wage burden would be a further blow.

The talks could set an important precedent for other forthcoming labor-management meetings across Canada.

Negotiations have been left largely up to the two main railways as all but a handful of the employees affected are with CNR and CPR.

CNR has 75,000 and CPR 52,000.

The current two-year agreements with the unions expire Dec. 31.

Unions now propose agreements which would be subject to change after one year. They would run from Jan. 1, 1958, to Dec. 31 of that year.

It is estimated the new demands will cost the two major railways an additional $128 million a year. This means $77 million for CNR and $51 million for CPR. This averages out to more than $1,000 a year per employee.

Railways estimate cost of implementing the demands breaks down as follows:

Wage increases — approximately 35c hr.; increased health and welfare benefits — 5c; additional statutory holidays—1c; increased vacations — 2c; severance pay — 4c.

Look For It Here

(December 7, 1957)

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ANNOUNCEMENT

Canadian Bank of Commerce Appointment

K. B. SMITH

Who has been appointed an Assistant General Manager of The Canadian Bank of Commerce, at Head Office. Mr. Smith has been with the Bank since 1930. Following earlier experience in branches and Head Office he has served in several managerial posts and as Assistant Manager, Toronto Branch, Regional Superintendent, Calgary, and Superintendent, Head Office.

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NUCLEAR STUDY

Dr. W. B. Lewis, vice-president of **Atomic Energy of Canada Ltd.**, will head an international panel named by the **International Bank for Reconstruction and Development** to advise a study preparing the way for building a 150,000-kw atomic power plant in Southern Italy.

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BNS APPOINTMENT

HARRY RANDALL

The Bank of Nova Scotia announces that Harry Randall, formerly chief accountant, has been promoted to the newly-created post of Comptroller.

NOTICE

Notice is hereby given that Certificate of Registry No. C 1986, dated November 27th, 1957, has been issued to the Protection Mutual Insurance Company, authorizing it to transact in Canada the business of Fire Insurance, Aircraft Insurance, Automobile Insurance, Boiler Insurance, Explosion Insurance, Inland Transportation Insurance, Machinery Insurance, Personal Property Insurance, Plate Glass Insurance, Real Property Insurance, Theft Insurance and, in addition thereto, Earthquake Insurance, Falling Aircraft Insurance, Hail Insurance, Impact by Vehicles Insurance, Sprinkler Leakage Insurance, Water Damage Insurance, Weather Insurance and Windstorm Insurance, limited to the issuance of the same property as is insured under a policy of Fire Insurance of the Company.

R. G. ADAMS,
Vice-President & Secretary.

James P. McD. Costigan,
Chief Agent in Canada,
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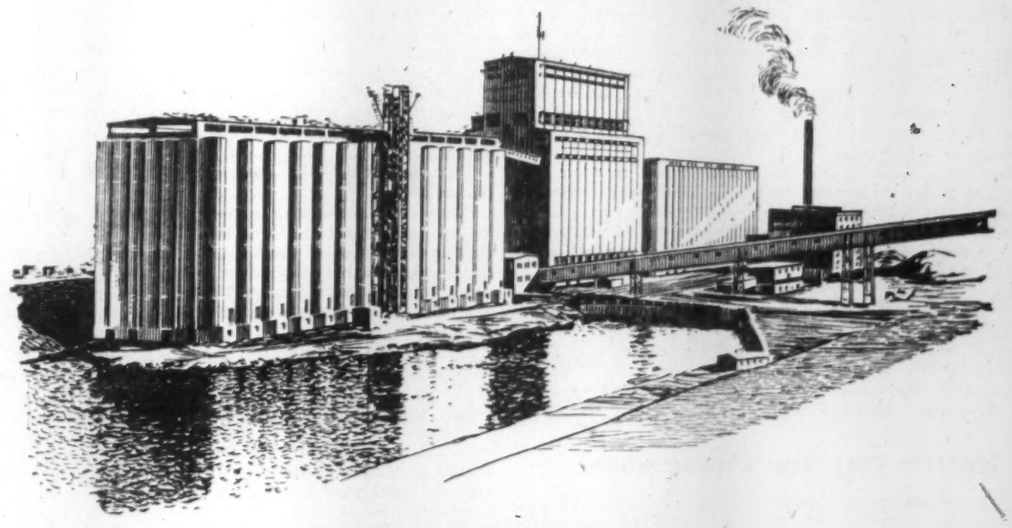

National Harbours Board

GRAIN ELEVATORS, Churchill, Manitoba

An extension to the grainhandling facilities of Canada's most northern seaport has recently been completed by Carter.

The new 2,000,000-bushel grain storage annex is an addition to the original workhouse and annex built by Carter-Halls-Aldinger in 1928.

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ANNOUNCEMENT

AVRO AIRCRAFT APPOINTMENT

J. L. PLANT

Mr. Fred T. Smye, Chairman and President, Avro Aircraft Limited, announces the appointment of J. L. Plant as Executive Vice-President and General Manager. Mr. Plant has resigned as Executive Vice-President, Collins Radio Company of Canada Ltd. but is continuing as a Director of that Company. Mr. Plant has had an unusually wide experience in aviation. He trained with the RCAF as pilot while still attending the University of British Columbia, where he received his engineering degree. Joining the permanent force in 1931, he served until 1956, during which time his administrative posts included: Air Member for Personnel, RCAF; Deputy Chief of Staff, Logistics, Allied Air Forces, Central Europe; Chief of Staff, Allied Air Forces, Central Europe; Air Member for Technical Services and Air Officer Commanding, Air Material Command, RCAF. Mr. Plant retired from the RCAF in the rank of Air Vice Marshal, August 1956 and entered Industry.

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Our Profs Paid Peanuts?

AN EXCLUSIVE FP REPORT

Behind the Russian sputnik-makers stand professors with unmatched prestige, honor, benefits and $40,000 salaries . . .

Canada's challenge?

Our professors consider their profession, salarywise, a depressed occupation . . .

By LESLIE WILSON

Canada's university teachers this year got the biggest general salary increase they ever received.

It probably averaged almost $1,000 on a Canadian median of $5,874.

An FP calculation gives a $990 increase.

That's 17%. Not bad, for one year, you may say.

For the next two years in succession, they'll probably get increases of the same magnitude —$900 to $1,000 each.

Sounds still better. But, say teachers' spokesmen:

The increases were and will be necessary to maintain recruitment into the profession at anything like the required rate.

Here's why, taking the figures up to the end of 1956:

- **Since 1937-39,** the price index has gone up 87%.
- **At the same time,** university teachers' salaries have gone up 96%.
- **However, the share** of national income of the average member of the Canadian working force has gone up 342%.

(This isn't the same as labor income; it's a percentage reached by taking the DBS figure "net national income at factor cost," and dividing by numbers of members of the working force.

(For calculation, see table — this page.)

Relative Lag

University teachers' salaries have therefore kept roughly in line with the cost of living; but the relative increases have lagged far, far behind the increases which almost everyone else has been getting.

The professors have shared very little in the great recent increases in Canadian output.

This is obvious if the salaries are translated into real (buying power) terms:

- **Since the '30's, real income** of Canadians per member of the working force has risen 136%.
- **In the same period, the real income** of the university teacher has gone up 5%.

What has been done about this deterioration in the financial position of the Canadian university professor?

Naturally, he was the first person to appreciate the effects.

Six years ago, faculty groups at several universities formed the Canadian Association of University Teachers to "promote the interests" of Canadian professors.

There are now 23 local university staff associations affiliated with the CAUT and all the major colleges and universities in Canada are represented.

The CAUT thus represents about 3,000 university teachers —about 75% of those in Canada.

The $6 million additional which university administrators received this year largely made this year's increase possible (the increase offered was $8 million but, due to pressure from Premier Duplessis, Quebec universities didn't accept their $2 million).

Main Concern

What does the CAUT do? It's probably been mainly concerned with raising salaries.

It hasn't got the armory of weapons available to exert pressures on university administrations that a labor union would have; nevertheless, it has been effective in stating, if not publicizing, its case.

Nearly two years ago, it presented a brief to the Gordon Commission with this analysis of the position of the university teachers and this explanation:

"The conditions of university employment have not been maintained on a level of competitive equality with conditions of employment in private industry or in government service, for personnel of comparable ability and training.

"Analysis indicates that these conditions have been allowed to develop unintentionally by public and private authorities responsible for the administration of the university price structure, and particularly through the failure of government to extend financial support to universities in proportion to the public demands which are made upon them."

Double Grants

It may not have been entirely a coincidence that, six months after presentation of this brief, the federal government announced a doubling of the per capita university grants ($1 a head of provincial population, distributed on the basis of enrolment); the total offered jumped from $8 million to $16 million.

The Gordon Commission agreed wholeheartedly with the CAUT and, after estimating that university teaching salaries in Canada totaled $12 million, suggested they be increased "very considerably."

"Half measures will not suffice if the very real problem which lies ahead in the almost immediate future is to be tackled successfully.

"What is suggested in essence is that a deliberate and sustained effort be made to raise the quality and standards of Canadian universities to among the highest prevailing anywhere in the world."

A professorship is normally reached in the '40's.

Adopt Scales

University of Toronto is the only institution which has adopted scales which are in sight of those desired by the CAUT.

Last spring it announced a plan to raise salaries from then-existing scales of $3,500, $5,000, $6,500 and $8,000 for the four grades to $5,500, $7,000, $9,000 and $12,000 respectively.

The new grades would be reached in 1959 by three stages. At present Toronto professors are receiving salaries based on

(Continued on page 17)

All to Salaries

At some universities, such as Manitoba, every penny of the increase went either into salaries or pension fund.

At others, comparatively minor portions of the increase went into salaries (at Memorial, Newfoundland, for instance, the CAUT estimates that only $22,000 of an increase of $209,000 was spent on salaries).

However, an FP calculation shows that, at 15 universities which received grants increases totaling $2.6 million, 56%, or $1.5 million, went to 1,482 university teachers.

This works out at $990 each and the calculation doesn't include Toronto, where the greatest increases took place, nor does it include pension or other related benefits.

The CAUT, meanwhile, has been shooting at floor salaries of $6,000, $8,000, $11,000 and $14,000 for the four grades of university teacher — lecturer, assistant and associate professor and full professor respectively.

(They reached these figures on the assumption that professors should share equally with other Canadians in increases in real output since the '30's.

(They used this calculation:

(Medians for the four grades in 1938 were $1,700, $2,727, $3,746 and $4,450.

(By CAUT reckoning, there was an 85% increase in price index between 1937-39 and 1953-55 and a 90% increase in real output of Canadian workers.

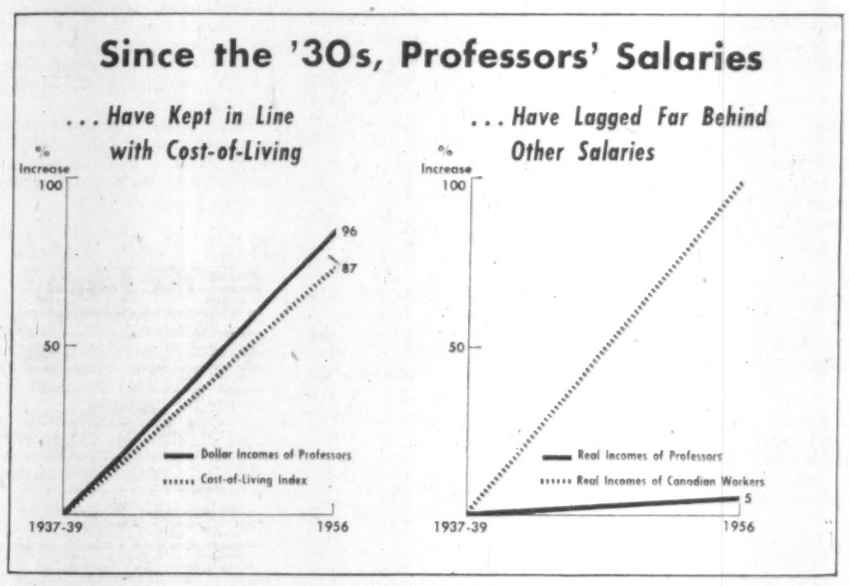
The 1938 medians were therefore multiplied by 3.5 — i.e., 1.85 times 1.9.

At this point we can ask, what kind of training does a university teacher need?

The "union card" of the professor is now the Ph.D. degree —which normally takes seven or eight years of university study and a level of accomplishment far above the average.

First appointment is normally as a lecturer and a good scholar may expect to move through the three grades in 15-18 years.

Since the '30s, Professors' Salaries



Calculating the Lag

	1937-39	1956	% increase
1. National Income ($ million)	4,151	23,049	455
2. Population (thousands)	11,100	16,081	45
3. Working force (thousands)	4,537	5,696	26
4. Dollar income per worker (Line 1 divided by line 3)	915	4046	342
5. Price Index (1937-39=100)	100	187	87
6. Real income per worker (Line 4 divided by line 5)	915	2,163	136
7. Dollar income per professor	3,000	5,874	96
8. Real income per professor (Line 7 divided by line 5)	3,000	3,141	5

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Source: S.M. 1957 Survey.

PROVINCE OF QUEBEC	POPULATION		RETAIL SALES	
Greater Montreal	2,149,000	46%	$1,944,937,000	59.2%
Outside	2,537,500	54%	$1,342,895,000	40.8%
PROVINCE OF ONTARIO				
Greater Toronto	2,042,100	37%	$2,245,671,000	41.5%
Outside	3,443,200	63%	$3,170,755,000	58.5%

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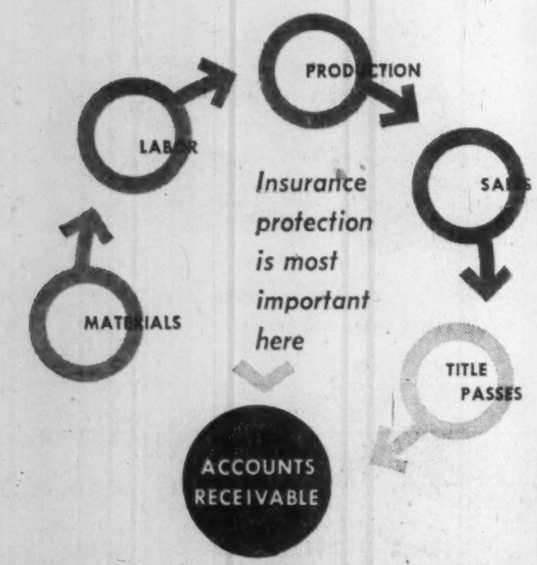

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Why They're Moving

Facts and comment on what's going on in the market and rumors behind some of the moves.

By FRANK KAPLAN

Retail businesses attract investor attention, particularly in view of the holiday season. This is one area in the Canadian business picture that appears to be enjoying steadily improving operations.

Although some retailers say they're down from a year ago, higher sales have been the general pattern and now retailers are in the midst of their key business period. Department stores have been especially busy.

One of the key factors that is aiding retailers is the increase in population in Canada.

Here are recent price movements in some department store issues:

	Latest Price	Mid Nov.	End Oct	1957 High	1957 Low
	$	$	$	$	$
Simpsons	17¼	16¾	16¼	20¾	14½
Zeller's	25	24	22	33	22
Reitman's	13	13	12	16½	12
Henry Morgan	16¼	16	16	22¼	16

* * * *

THE STREET IS TALKING ABOUT—the increasing attention being paid to the Christmas season and the decreasing interest in stocks. Activity continues to slacken with board rooms practically deserted, brokers report.

Auto stocks take a tumble as carmakers announce layoffs and slackening production. Main reason given for cutback is uncertainty over rumored excise tax cut but U. S. reports indicate disappointment in sales efforts.

Ford of Canada, which announces production reduction before tax rumor, drops to $73⅞ from a recent $80 level. U. S. auto stocks also down. **Ford U. S.** at $39¼ is off from $42; **Chrysler** at $65½ is off $67 in mid-month.

* * *

On the other hand, finance companies which depend on auto business to a major extent for their customers, turn higher. **Industrial Acceptance**, reporting nine months net equal to $2.25 a share ($2.12 in previous year), edges ahead to $28½ from $27⅝ in mid-month. **Traders Finance A** at $37 is ahead from a recent $35½, and **Imperial Investment A**, with higher dividend and expected split two-for-one, hits a new high at $14¾ in climbing from $11½ in mid-November.

A bright spot in the business picture is the tobacco industry. Despite lung cancer "scares," Canadians increased their use of cigarettes by more than 16% in the first nine months of the year. **Imperial Tobacco**, only company through which the public can participate directly in cigarette industry, edges ahead to $12¼ from $11¾.

* * *

OTHER MARKETS—Over-the-counter dealings at a snail's pace with prices generally tending mildly higher. Pipelines, particularly, rebound from a previous sharp selloff.

Trans-Canada common at $22¼-$23 is ahead $1 and the units at $129-$131 climbs about $4. **Westcoast Transmission** shares at $27-$28 add about ¾.

Quebec Natural Gas units at $127-$129 are up $2 while **Northern Ontario** units hold steady at $28-$29. Northern Ontario shares at $11¼-$12 are up fractionally. **Alberta Gas Trunk** common also hold firm at $12½-$13¼.

Bulk of trading interest is centred in new corporate bond issues which have been coming into the market. Dealers note that a **Canadian Utilities** convertible issue will result in a market in Canadian Utilities common for the first time. This utility is a wholly-owned subsidiary of **International Utilities** which trades at about $24¼.

Cdn. Utilities Capital Program Will Use $4 Mill. More By '58

MONTREAL (Staff)—Capital expenditures by **Canadian Utilities, Ltd.** (a subsidiary of **International Utilities Ltd.**) totaled $2,370,000 in the first eight months of 1957, and $4 million more is scheduled for the following 16 months.

In the first eight months of 1957, company earnings from operations (before depreciation, mortgage, bond and note interest and provision for income taxes) were $1,805,853 and net income $700,360.

This compares with $2,817,129 and $1,292,339 respectively in the full year 1956.

Gross income for the first eight months was $3,347,172 as against $4,612,776 in the full year 1956.

The information was revealed in connection with an offering of $6 million in 5¾% 20-year convertible debentures, series A, made by **Wood, Gundy & Co.** and **Nesbitt Thomson & Co.** at 99.50 and accrued interest to yield 5.79%.

The debentures are convertible into 22 common shares for each $500 principal amount held to Dec. 1, 1961, 20 common shares to Dec. 1, 1965, and 18 common shares to Dec. 1, 1967.

Proceeds of the issue, together with funds from company's business in 1957 and 1958 will be used to pay off indebtedness to International Utilities ($1.2 million) and to its bankers ($250,000), with the balances being used for the expansion and construction program to the end of 1958.

Total annual interest requirements on first mortgage bonds and convertible debentures to be outstanding on completion of present financing will amount to about $860,588, which will decrease as sinking funds operate.

Wpg. Gas Co. Rights Will Be Tested

From Our Own Correspondent

WINNIPEG — Claims by the **Winnipeg & Central Gas Co.** that it has exclusive natural gas distribution rights in Greater Winnipeg municipalities will be tested soon before the Municipal and Public Utility Board.

The board will be asked by the suburban city of St. James to confirm a franchise granted to a competitive gas company by the St. James city council.

At the same time, a Winnipeg city council committee recommended that a company in addition to Winnipeg & Central be allowed to operate in the city.

The choice of the company would be left to the municipal and public utility board.

The committee suggested, as alternative, that the city get into the gas distribution business itself.

If the St. James franchise is confirmed, it will mean that **Great Northern Gas Utilities Ltd.** had made good a bid to move into the Winnipeg market.

Offering consumer rates well below those of Winnipeg and Central, Great Northern would be in a position to pick up a number of other suburban franchises in addition to St. James if the Winnipeg & Central monopoly position is broken.

A third bid for the market has been made by **Great Plains Gas Co.**, offering a rate of 71¢ per 1,000 cu. ft. compared to 81c offered by Great Northern and $1.03 by Winnipeg & Central.

The Great Plains offer was turned down by St. James because of lack of experience and of financial backing on the part of the company.

C is for Cheese

Tastes good alone.
Looks terrific with cake

The Stratford Beacon-Herald
D?

TENDER FOR DEBENTURES
CORPORATION OF THE TOWNSHIP OF NEPEAN

Sealed tenders marked "Tender for Debentures" will be received by the undersigned until 5 P.M. Thursday, December 12th, 1957, for purchase of $45,000.00, 1-20 year debentures maturing 1958-1977, 6% annual Coupon, dated October 1, 1957, issued pursuant to By-Law 24-57 for erection of two roomed Public School for S.S. No. 9. (1977 maturity callable). These debentures, an obligation of the Corporation, will bear the validation certificate of the Ontario Municipal Board.

The highest or any tender not necessarily accepted.

ANDREW G. McLEAN,
Clerk & Treasurer.
345 Richmond Rd.,
Ottawa, Ontario.

Note

By Vincent Egan

A seasonal slackening in activity in the new issue market has begun. Between now and New Year's, few big offerings can be expected.

Traditionally, insurance companies — the major buyers of bonds — devote the second half of December to a sort of financial inventory-taking.

And people in the bond market, as elsewhere, are otherwise occupied at Christmas.

But already the underwriters are sounding out the insurance companies on their 1958 investment intentions. The questions indicate that bond issues next year will have lower coupons and fewer "gimmicks."

* * *

This week's major offering is $15 million **British Columbia Electric** 5½% preferred stock.

Shares are priced at $48½ to yield 5.67%, and are reported to be meeting a good reception. The same company is expected to borrow heavily in 1958 to finance its continuing program of capital expansion.

* * *

Coming soon: An issue of $2.4 million 6% first mortgage bonds maturing Dec. 1, 1974, and $720,000 6% 18-year convertible debentures of **Pembina Pipe Line**. Securities will be offered at par, in a package consisting of $1,500 bonds and $500 debentures. Underwriting syndicate is headed by **Nesbitt, Thomson & Co.** and **Brawley, Cathers & Co.**

* * *

A new issue of $6 million **Canadian Utilities Ltd.** 5¾% convertible debentures, due 1977, has been sold at 99½ to yield 5.79% by a syndicate headed by **Wood, Gundy & Co.** and Nesbitt, Thomson & Co. Each $500 debenture will be convertible into 22 common shares for the first four years, 20 for the next four, and 18 for the following two. Common stock at the moment is owned entirely by **International Utilities Corp.**

* * *

An intriguing rumor is that Province of **Alberta**, now almost debt-free, plans to borrow early in 1958. Its only outstanding issue of significant size at present is $60.7 million debentures issued in 1950 and due 1961-67. That issue, payable in the U. S. or Canada, has coupons of 2⅝% to 2⅞%.

* * *

Ontario's Provincial Treasurer, following the commendable lead of corporations which issue preliminary annual reports, this week published an abridged version of the public accounts for the fiscal year ended March 31, 1957. The report contains highlights of the public accounts to be tabled at the next session of the assembly. Parliament's prerogatives are not affected, since a copy of the preliminary report had already been sent to each member.

Publication used to have to wait until the session nearly a year after the fiscal year ended.

* * *

Elsewhere in the provincial field, it is said that **Manitoba** may come to the bond market next month . . . It is considered possible that **Quebec Hydro** might borrow again this month or next, to supplement the $35 million borrowing which was over-subscribed in October . . . The $8 million **Nova Scotia** 4¾% 20-year issue of sinking fund debentures was offered at 100⅝, to yield about 4.70%.

* * *

Plus ça change . . . City of **Montreal** has again called for tenders in Canada for its proposed $18 million borrowing. It had gone into SEC registration in the U. S., but then changed its mind. Earlier in the fall, it had called for — and rejected — Canadian tenders. The new issue, for which tenders will be received until Dec. 12, will have a 20-year maturity and be non-callable for 10 years.

* * *

Other municipal financing: City of **Ottawa** is expected to call for tenders on a $3.6 million bond issue . . . A $3.5 million offering of **Winnipeg** 5% 1958-77 bonds is being made at 4.90% by a syndicate headed by **Royal Securities** . . . The same house is also offering $560,000 one-to-15-year **Galt** bonds on a 5.00% basis.

Ont. Issues Prelim. Data

Net ordinary revenues of the Province of Ontario for the fiscal year ended March 31, 1957, totaled $479,783,191. This was an increase of 12.1% over the 1955-56 revenue of $427,969,363.

Net ordinary expenditures rose by 11.3% to $437,249,640, from $392,834,481 in the previous fiscal year.

These are among the highlights of a preliminary abridged edition of Ontario's public accounts, made public this week. This is the first time that the province has issued an abridged version of its financial statements, several months in advance of the time that the accounts would normally be presented to the legislature.

Tax revenue during the 1956-57 fiscal year totaled $169,753,015 ($155,498,485 the previous year).

Funded debt stood at $987,042,500 at the fiscal year-end ($855,771,500). Unfunded debt amounted to $209,664,969 ($216,637,619). Obligations of the Ontario Hydro-Electric Power Commission, a contingent liability of the provincial Government, totaled $1,096,218,800 ($970,804,000).

The public accounts in their complete form, and the report of the provincial auditor, will be tabled when the legislature assembly meets in 1958.

High Tolls Would 'Kill the Seaway'

From Our Own Correspondent

ST. CATHARINES — The St. Lawrence Seaway is Canada's only great trade route, and its failure means the failure of the nation's foreign trade.

This warning was sounded by John J. Mahoney, manager of Dominion Marine Association, at a dinner sponsored by the **Ontario Paper Co.**

He told the 65 industrialists from Toronto, Hamilton and the Niagara Peninsula the imposition of high tolls would kill the seaway. It would be as though it never had been built.

He said the tolls issue was a national issue. The government should urge that no binding commitment be made and no rigid policy adopted until the Canadian people have voiced their opinion.

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Underwriters and Distributors
of
Canadian Government, Municipal
and Corporation Securities

Wood, Gundy & Company

Members of
The Toronto Stock Exchange
Montreal Stock Exchange
Canadian Stock Exchange

Stock Exchange orders executed

Dividend Changes

CROWN ZELLERBACH (CANADA) LTD.—Common, 12½c, payable Jan. 1 to holders of record Dec. 6; ex-dividend Dec. 4. Total payable to date in 1958, 12½c; total paid to same date in 1957, 25c; total paid in 1957, $1. Recent price: $14⅛.

IMPERIAL INVESTMENT — Class A & B, 25c, payable Dec. 31 to holders of record Dec. 13; ex-dividend Dec. 11. Total paid or payable to date in 1957, 80c; total paid in 1956, 70c. Recent price: Class A, $14¾.

HOWARD SMITH PAPER MILLS — Common, 25c plus 20c extra, payable Jan. 31 to holders of record Dec. 31; ex-dividend Dec. 27. Total payable to date in 1958, 25c plus 20c; total paid to same date in 1957, 25c plus 50c; total paid in 1957, $1 plus 50c. Company says it will discontinue extras, pay 30c quarterly starting with next payment. Recent price: $26¼.

CORPORATE INVESTORS—Common, 10c, payable Jan. 15 to holders of record Dec. 13. Total payable to date in 1958, 10c; total paid to same date in 1957, 14c; total paid in 1957, 36½c. Recent price: $7.55 bid; $8.21 asked.

MACLAREN POWER & PAPER—Common, 75c extra, payable Jan. 15, to holders of record Dec. 4; ex-dividend Dec. 2. Total payable to date in 1958, 75c extra; total paid to same date in 1957, 50c extra; total paid or payable in 1957, $2 plus 75c. Recent price: $61½.

PAUL SERVICE STORES — Common, 25c payable Dec. 20 to holders of record Dec. 9; ex-dividend Dec. 5; First dividend payment since Dec. 5, 1952. Recent price: $9½.

RUSSELL INDUSTRIES LTD. — Common, 15c, payable Dec. 30 to holders of record Dec. 16. Total paid or payable to date in 1957, 75c; total paid in 1956, 80c. Recent price: $9.

SUN LIFE ASSURANCE—Common, $1 regular plus 85c extra, payable Jan. 1 to holders of record Dec. 16. Total payable to date in 1958, $1.85; total paid to same date in 1957, $1 plus 70c extra. Total paid or payable in 1957, $4 plus 70c. Recent price: $188 bid, $198 asked.

THE CITY OF MONTREAL

ISSUE OF % SINKING FUND DEBENTURES: $18,000,000

CALL FOR TENDERS

The City of Montréal (hereinafter referred to as the "City") hereby calls for tenders for the purchase from it of $11,000,000 principal amount of its " % Sinking Fund Debentures for Public Works due January 1, 1978" and $7,000,000 principal amount of its " % Sinking Fund Debentures for Local Improvements due January 15, 1978", hereinafter referred to collectively as the "Debentures," in the denomination of $1,000.00 each, dated December 5, 1957 and payable in lawful money of Canada.

Interest on the Debentures shall be payable semi-annually in the case of the Public Works Debentures, on January 1 and July 1, the first interest payment becoming due on July 1, 1958 and, in the case of the Local Improvement Debentures, on January 15 and July 15, the first interest payment becoming due on July 15, 1958.

The Debentures are subject to redemption, at the option of the City, in whole or in part, on any interest payment date for such issue in or after 1967, upon prior notice of not less than 30 days' nor more than 60 days' at the following percentages of the principal amount, together with accrued interest to the date of redemption:

Interest payment dates in	%
1967	102
1968	101¾
1969	101½
1970	101¼
1971	101
1972	100¾
1973	100½
1974	100¼
1975	100
1976	100
1977	100

The City, however, must redeem, for purposes of obligatory retirement, on like notice, Debentures in total principal amount of

$550,000 of " % Sinking Fund Debentures for Public Works due January 1, 1978" on January 1 in each of the years 1959 and 1977 inclusive and

$350,000 of " % Sinking Fund Debentures for Local Improvements due January 15, 1978" on January 15 in each of the years 1959 to 1977 inclusive

at 100% of their nominal value plus accrued interest thereon to the date of redemption.

The City has the right to satisfy in whole or in part, its obligations with respect to its said obligatory retirement of Debentures, by purchasing Debentures at any time or from time to time, by mutual agreement, at a price not exceeding 100% of the principal amount together with accrued interest.

The " % Sinking Fund Debentures for Public Works due January 1, 1978" shall be issued:

$1,500,000 in virtue of By-law 2025 amended by 2027, 2052, 2140, 2255 and 2369 of the City;
$500,000 in virtue of By-law 2073 amended by 2109, 2142, 2163, 2349 and 2369 of the City;
$500,000 in virtue of By-law 2157 amended by 2369 of the City;
$750,000 in virtue of By-law 2161 amended by 2369 of the City;
$1,750,000 in virtue of By-law 2233 amended by 2369 of the City and
$6,000,000 in virtue of By-law 2324 amended by 2369 of the City.

The " % Sinking Fund Debentures for Local Improvements due January 15, 1978" shall be issued:

$1,041,605.76 in virtue of By-law 1842 amended by 1965, 1993, 2013, 2052, 2061, 2107, 2114, 2132, 2154, 2179, 2215, 2218, 2314 and 2369 of the City;
$7,742.27 in virtue of By-law 1867 amended by 2010, 2052, 2133 and 2369 of the City;
$93,574.22 in virtue of By-law 1907 amended by 1962, 2011, 2052, 2134 and 2369 of the City;
$39,603.88 in virtue of By-law 1960 amended by 2000, 2012, 2052, 2135 and 2369 of the City;
$640,181.58 in virtue of By-law 2014 amended by 2042, 2052, 2136, 2209 and 2369 of the City;
$838,904.00 in virtue of By-law 2056 amended by 2072, 2090, 2137, 2203, 2210, 2307 and 2369 of the City;
$171,396.68 in virtue of By-law 2091 amended by 2138, 2211, 2369 and 2374 of the City;
$172,343.01 in virtue of By-law 2127 amended by 2254 and 2369 of the City;
$144,312.89 in virtue of By-law 2155 amended by 2178, 2219, 2369, 2371 and 2390 of the City;
$394,939.85 in virtue of By-law 2156 amended by 2212, 2369 and 2374 of the City;
$584,873.29 in virtue of By-law 2191 amended by 2369 and 2374 of the City;
$467,171.72 in virtue of By-law 2201 amended by 2213, 2369 and 2374 of the City;
$94,420.50 in virtue of By-law 2214 amended by 2248, 2369 and 2374 of the City;
$732,012.09 in virtue of By-law 2253 amended by 2313 and 2369 of the City and
$1,576,918.26 in virtue of By-law 2323 amended by 2337, 2369 and 2374 of the City.

The proceeds from the sale of the " % Sinking Fund Debentures for Public Works due January 1, 1978," exclusive of accrued interest, will be applied to the payment of reimbursement of the cost of projects constructed, being constructed and to be constructed in virtue of By-laws 2025, 2073, 2157, 2161, 2233 and 2324, as amended, of the City.

The proceeds from the sale of the " % Sinking Fund Debentures for Local Improvements due January 15, 1978," exclusive of accrued interest, will be applied to the payment or reimbursement of the cost of various expropriations of property, and to the payment or reimbursement of the cost of certain other permanent local improvements, such as sewers, pavements and sidewalks. Special apportionments have been made of these costs as between the City and the proprietors benefited by the improvements. $3,838,353.56 have been so apportioned as the share of such proprietors and $3,161,646.44 have been so apportioned as the City's share.

Tenders must be for the purchase of the whole of the Debentures of both issues and not for one or the other of such issues, nor for part of such issues and the interest accrued from December 15, 1957 to January 7, 1958.

Tenders shall specify one nominal rate of interest and one price to be paid to the City for all the Debentures, such rate of interest to be a multiple of ¼ of 1% and not to exceed, in accordance to city By-laws, 5½% and such price to be paid not to be less than 96% of the principal amount of the Debentures. The payment must be made in Montréal in lawful money of Canada and the delivery shall be made in Montréal on January 7, 1958.

Each tender must be accompanied by a certified cheque or cheques aggregating $900,000.00 representing a deposit of 5% of the principal amount of the Debentures, payable in lawful money of Canada in Montréal and drawn to the order of the City.

In the case of a tender made by a group of tenderers, the obligations of the tenderers shall be joint and several and each member of the group shall sign the form shown in annex "A" of the form for tender. Each tender must be made on a Form of Tender enclosed in a Tender Envelope, both to be supplied by the City, and must be delivered at the office of the Executive Committee of the City, Room 212, City Hall, Montréal 1, P.Q., Canada, before 11 o'clock A.M. Eastern Standard Time, on December 12, 1957.

Copies of By-laws 1842, 1867, 1907, 1960, 1962, 1965, 1993, 2000, 2010, 2011, 2012, 2013, 2014, 2025, 2027, 2042, 2052, 2056, 2072, 2073, 2081, 2090, 2091, 2107, 2109, 2114, 2127, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2140, 2142, 2154, 2155, 2156, 2157, 2161, 2163, 2178, 2179, 2191, 2201, 2203, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2218, 2219, 2233, 2248, 2253, 2254, 2255, 2307, 2313, 2314, 2323, 2324, 2337, 2349, 2369, 2371, 2374 and 2390 of the City, Form of Tender for Debentures, Tender Envelope, Forms of Temporary Debentures and Forms of Definitive Debentures with coupons, Schedule of the Description of Debentures and information relating to the financial position of the City are available upon application to the City Clerk, City Hall, Montréal 1, P.Q.

No prospective tenderer or any affiliate of such prospective tenderer may participate in any other tender for the Debentures.

All tenders for the Debentures will be opened by the Executive Committee of the City at a meeting to be held in Room 212, City Hall, Montréal 1, P.Q., Canada, at 11.00 o'clock A.M., Eastern Standard Time, on December 12, 1957. Each tenderer may be present or represented at the opening of the tenders.

Subject to the right of the City to reject all tenders, the City will accept the tender which offers the lowest effective rate of interest for the Debentures.

Tenders will be accepted or rejected before one o'clock in the afternoon, Eastern Standard Time, on December 12, 1957. Any tender not accepted by such time will be deemed rejected. If two or more tenders specify the same lowest effective rate of interest, the City may, at its discretion, accept anyone of such tenders.

If a tender is not accepted, the City forthwith will return to the tenderer the cheque or cheques deposited with such tender.

If a tender is accepted, the cheque or cheques deposited by the successful tenderer shall be applied, without interest, on account of the purchase price of the Debentures.

The City will pay all expenses in connection with the preparation, issue, execution and delivery of the temporary and definitive Debentures and the exchange of the temporary Debentures for definitive Debentures, and will furnish all necessary documents to establish the validity of the issues and the authority of the City to create these issues and will provide all financial statements and other information necessary for the purpose of the public offering of the Debentures in Canada.

All other details relative to the conditions of the sale of the Debentures and to the respective obligations of the City and of the tenderers are contained in the Form of Tender hereinabove mentioned.

THE CITY OF MONTREAL,
Charles-Edouard-Longpré,
City Clerk.

City Hall,
Montréal, December 3, 1957.

Individually tailored shirts from exclusive imported shirtings

ANTHONY L. Bauer
Custom Shirt-Maker
96 KING STREET WEST
(upstairs) EMpire 4-1935

SUBSTANTIAL BLOCK OF SHARES OF BULMAN'S LIMITED

for sale at approximately book value.

Apply Mr. W. A. Bell,
The Canada Trust Company,
Winnipeg, Manitoba

ANNOUNCEMENT

PROVINCIAL BANK OF CANADA NEW DIRECTORS

IGNACE BROUILLET, D.A.P. Sc., P.Eng.

J. OLIER RENAUD, M.L.C., Q.C.

The Hon. Jules A. Brillant, M.L.C., C.B.E., president of The Provincial Bank of Canada, has announced the election of two new directors. They are Mr. Ignace Brouillet, professional engineer of Montreal and the Hon. J. Olier Renaud, lawyer of Montreal. Mr. Brouillet is a director of L'Alliance Nationale and of La Paix General Insurance Co., of Canada, and president of Corporation Ecole Polytechnique. The Hon. Renaud is a director of the Canada Cement Company, Limited, of Montreal Life Insurance Company and Governor of the University of Montreal.

As principals we offer subject to confirmation:

NEW ISSUE

PROVINCE OF NOVA SCOTIA

4¾% Sinking Fund Debentures
due December 1, 1975/77

PRICE: 100.625 and accrued interest
TO YIELD APPROXIMATELY 4.70%

Enquiries Invited

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HAMILTON GUELPH EDMONTON VICTORIA

We offer, subject to confirmation—

Government of Canada
3% Bonds

To be dated Dec. 15, 1957

Maturity	Price	Yield
Oct. 1, 1959	98.60	3.81%
Dec. 15, 1960	97.60	3.85%

Both issues non-callable to maturity. Denominations $1,000, $5,000, $25,000, $100,000 and $1,000,000. Delivery on or about Dec. 16, 1957.

Official circular available on request.

ROYAL SECURITIES CORPORATION LIMITED

244 ST. JAMES STREET WEST, MONTREAL — 360 BAY STREET, TORONTO
Montreal Toronto Halifax Saint John Quebec Ottawa
Hamilton Winnipeg Calgary Edmonton Vancouver Victoria
Charlottetown St. John's, Nfld.

57-30

How Preferred, Class Stocks Perform

	Price per Share — Recent	End Sept.	Early July	Change in Price — Since Sept.	Since July	Recent Yield
	$	$	$	%	%	%
Abitibi 4½	22¼	23	23	—3.3	—3.3	5.06
Acadia-Atl A	18¼	17¾	18¾	+2.8	—2.7	6.57
Aluminum Co. 4%	22½	21½	21½	+4.7	+4.7	4.44
B. C. Electric 4¾%	87	89	89½	—2.3	—2.8	5.45
Can. Cement	27½	27¾	27½	—0.1	nil	4.72
Can. Packers A	33¾	36	37¼	—8.9	—9.4	5.19
Imperial Tobacco 6%	6	5½	6½	+9.1	—7.7	4.87
Loblaw Cos. $2.40	41	41	42	nil	—2.4	5.85
Massey-H.-Ferg. 4½%	78	78	82½	nil	—5.5	5.77
Silverwoods A	10	10¼	9¾	—2.4	+2.6	6.00
Geo. Weston 4½%	85	85	87	nil	—2.3	5.29
Average 11 stocks	...	...	...	**nil**	**—2.6**	**5.38**
DBS 95-stock index	**224.7**	**231.0**	**287.5**	**—2.7**	**—21.9**	...

PREFERRED STOCKS

By PAUL S. DEACON

Lower Rates Help These Shares

With Bond Prices Up, Preferreds Could Follow

In the period when the stock market was booming, probably the least preferred among all securities were preferred stocks.

In the recent decline, however, investors have viewed these shares with much more enthusiasm and respect.

While common stock prices were dropping by 22% in the period since mid-year, preferred shares were acting as though the market debacle didn't concern them. The drop for a group of representative preferred and class A shares (see accompanying table) was only 2½%.

Many investors have looked on preferreds with disdain on the grounds that they were neither fish nor fowl. They didn't have the security attractions of a bond, yet had limited potential for capital gain.

This view had much to commend it when earnings prospects were bright and market moods buoyant.—

In the period from August, 1955, to August, 1956, for instance, a group of nine common stocks reviewed by **FP** rose by 9%. Preferred and class A stocks of the same nine companies declined in that period by 10%.

Better Showing Than Commons

Preferred stocks, with their fixed dividend characteristics, were merely following the price pattern of bonds. Interest rates were rising with the advent of the tight money policy, and prices on all fixed-income securities fell as a result.

Since then, however, the picture has changed considerably. Although preferreds continued to drop in price, by mid-December last year (**FP** Dec. 15, 1956), their decline was much less than that in the common shares of the same companies. And their prices by December were very close to those today, while the common shares in most cases are 20%-26% lower.

Preferred Stocks Are Not Bonds

The change in investor psychology and evidence that business may be slowing down have undoubtedly brought about this more favorable attitude toward preferreds.

If earnings growth is to be interrupted, then prospects for further rises in common dividends are less attractive and some reductions may be made. A prior call on earnings for preferred dividends becomes of greater value.

If interest rates have turned firmly down, as most investment men now believe, preferreds should be relatively stable in price. With money and credit becoming easier to get, and interest rates declining, then preferreds could rise in price.

Bond prices have already risen. This improvement appears based to a great extent on expectations that easier money is around the corner, rather than on any important actual change in the supply of money and credit. But if the rise in the bond market persists, it could quite logically rub off on good grade preferred stocks.

What must be remembered in any such forecast, however, is the common observation mentioned earlier: preferred stocks are not bonds.

If the decline in business is minor, preferred stock prices should move very closely with bond prices. If a decline becomes serious and preferred dividends are at all threatened, then preferreds could weaken while bonds remained relatively stable.

Carrying this a step further, of course, bonds are not immune to troubles. The bond of a poor company is worse security than the common stock of a strong company.

But corporate bonds do give holders the right to take over the company if interest or sinking fund provisions are not met. Preferred stock dividends may be passed with much less penalty on the company.

The difference between bonds and preferreds is real, and is recognized in market performance. Good grade bonds are for the most part selling above their July and September levels. Preferreds have held up well, but most are still down a little.

Why Preferreds May Be Attractive

But if you believe, as many investors do, that the expected decline in business will be relatively minor, then preferreds have some special attractions now:

(1) Their yields are relatively high;

(2) The 20% tax credit on dividends gives them an edge over bonds, mortgages, etc.;

(3) They should be relatively stable in price, and might even produce respectable capital gains.

Firming U.S. Textile Prices Raise Hopes for New Year

MONTREAL (Staff) — This week optimistic note was struck in Canada's cotton textile industry.

Firming U. S. prices are lending further credence to Canadian cotton makers' hopes for an upturn early in the new year (**FP**, Nov. 23).

The question: Will price increases on a variety of cotton goods in the U. S. during the past week broaden into an industry-wide advance?

Canadian textile men certainly hope so. Indications to date are generally considered favorable.

During the past week leading U. S. mills have boosted prices from 2.5% to 5% on such items as heavy duck cloth, colored yarn fabrics for the dress trade, combed yarns for the apparel trade and carded twills such as used in the manufacture of work clothing.

This coupled with earlier, modest advances in prices of the big-volume print and broadcloths, in the opinion of some industry officials, constitutes the most widespread advance in cotton textile prices since October, 1956.

Improvement in the U. S. price position is due largely to major production cutbacks implemented by a number of U. S. mills over the U. S. Thanksgiving and further production cuts scheduled for Christmas week.

More In Line

By these drastic measures, U. S. cotton makers hope to bring supplies more in line with demand, pull the industry out of the long slump that until recently has been marked by weak demand and falling prices.

Improvement in the U. S. market has been little felt in Canada. A number of mill officials, however, note a "very slightly" firmer tone in the Canadian cotton textile market in the past week.

If the U. S. advance is maintained it could improve the position of Canadian mills considerably.

Canadian mill officials warn, however, that any real improvement would require further firming in the U. S. market.

And Canadian developments tend to lag behind the U. S.

A case in point is cotton twill prices which were upped ½c to 1½c yd. by three major U. S. mills this week.

In October this year twill prices were cut 2¾c yd. in the U. S. and Canadian makers followed suit with price reductions of their own (**FP**, Nov. 16).

Despite the fact that twill prices now are firming in the U. S., Canadian mills likely won't be able to put their prices back up until the end of this season.

Outlook Good For Fur Trade

The revival of trimming interest in a wide range of Canadian furs should lead to more diversified demand and greater stability for the trade.

This was one of the most significant developments during the season just ended, says, **Canadian Fur Auction Sales Co.**

The season was one of the "better years" and considerable business was transacted over a steady period, it says.

Generally the volume of unsold merchandise from last season's crop is quite small, and it is expected there will be a good response to the initial offerings of fresh furs from the new catch.

Government of Canada

3% BONDS Due 1st October, 1959 (cash subscription only)
3% BONDS Due 15th December, 1960 (conversion only)

Non-callable to maturity

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Russell Industries Expects Profit Dip

Russell Industries Ltd., Toronto, has cut its fourth quarter dividend to 15c per share from 20c. The dividend is payable Dec. 30 to shareholders of record Dec. 16.

Dividend rate for 1957 now amounts to 75c instead of 80c in 1955 and 1956.

Announcing the cut, the company reports a substantial decrease in the volume of automotive business and increasingly severe competition from imports of bicycles and heavy machinery.

Consolidated net profit for the year for the company and its subsidiaries is expected to be moderately lower than last year.

Season's Greetings

from METROPOLITAN LIFE

To all our friends in Canada, we of Metropolitan Life extend our warmest wishes for a Merry Christmas . . . and the happiest of New Years in 1958.

† † † In the true spirit of Christmas, our thoughts turn to the gifts with which Divine Providence has enriched our lives. We have warm and enduring ties with families and friends, peace, and that great blessing which more and more of us are enjoying throughout life . . . good health. † † †

May you and your family have, in abundant measure, health, happiness, peace of mind at this Holy Season . . . and in all the years ahead.

METROPOLITAN LIFE INSURANCE COMPANY

The Canadian Head Office at 180 Wellington Street in Ottawa

Canada's Oil in World Trade

The Canadian oil and gas industry has made giant strides since 1947 but its expansion in the next decade, to meet the growing demand of home and export markets, is likely to be even more impressive. W. M. V. Ash, President, Shell Oil of Canada, made this prediction in a recent talk (reported on page 57). He called on Canadians to discard parochial and isolationist ideas about the industry and think of it as a factor in world trade.

Its size and prospects were indicated by Mr. Ash in these figures. From 1947 to the end of last year the industry spent $3.5 billions on exploration, drilling and facilities for manufacture, transport and marketing. Its production of 750 million barrels of oil in that decade, at a price range of $1 to $2 a barrel, did not recoup expenditure. But known reserves and the record of success in Canadian wildcatting give ground for confidence that the industry will eventually be in the black.

Last year, in Canada, one in every four wildcat wells came in, against one in every ten in the U. S. The average volume of oil discovered in successful Canadian strikes was nearly three times the corresponding American figure. Yet there is only one wildcat for every 700 sq. miles of northern Alberta. Canada has 90% of its oil exploration job still to do, says Mr. Ash, and the industry will need new capital of $8 billion in the next ten years.

From these facts and figures Mr. Ash draws some valid and striking conclusions. One is that Canada should not look askance at foreign investment. The source of new funds is less important than their management. There's a shortage of professional engineers. Emigration is a drain on Canada's limited supply. It is industry's problem to see that more students are attracted to applied science and that Canada doesn't become a farm club for major engineering leagues elsewhere.

Gas and oil supplied only 12% of the energy used in Canada in 1926. The figure was 43% in 1953 and Mr. Ash foresees a rise to 70%. He predicts annual Canadian consumption of 500 million barrels of oil within ten years and daily exports of 400,000 barrels sooner than that, mainly to northwestern U. S.

Domestic and American demand for Canadian gas will amount to one trillion cubic feet a year by 1965, says Mr. Ash, but ultimately 240 trillion are likely to be discovered. Even if that figure be cut in half, there will be an abundant surplus for an export business that will help to correct the Canadian trade deficit with the U. S.

Export markets are indispensable to the industry, Mr. Ash declares. He makes the reasonable suggestion that taxes and depletion allowances should be such as to permit it to compete on fair terms south of the border.

Canada's oil industry, as he points out, is no longer a local phenomenon. It has become part of a world picture. It must learn the discipline of an international market that is subject to influences as varied as Middle East politics and the fluctuation of tanker rates. In short, the industry is emerging as a great Canadian asset, supplier and earner of foreign exchange; and its problems, which are manifold, call for the sympathetic attention of Canadians and their governments.

Bad for Us, Too

Apart from neighborly good feeling, Canadians have special reason to regret President Eisenhower's illness. It occurred at a moment when he appeared at last to be about to tackle the American protectionists head on. They have so far managed to frustrate his early intentions to adapt United States tariff policies to his country's new position in the world economy.

Specifically, Mr. Eisenhower was expected to ask the next Congress for a five-year extension of presidential tariff-cutting powers under the trade agreements. These powers are usually granted by Congress on a three-year basis. Recent revisions have reduced the president's discretion in the matter of tariff cuts. The protectionist bloc in Congress is said to be planning to deprive him of his right to reject Tariff Board recommendations for higher duties under the "escape clauses" of the trade agreements. The president has used this veto power several times.

In short, the argument over U. S. tariffs might have come to an open fight in the next session of Congress. The administration stand has been strengthened by sputnik, which suggested that the American economy is not so strong that it can go it alone; by diplomatic troubles with a clearly economic base; and by the growth of American export industries. Canadian complaints about U. S. tariff policy were finally beginning to sink in (in some quarters) and the Administration seemed ready to take the whole matter much more seriously than in the past.

President Eisenhower's illness, however rapid and complete his recovery may be, lessens the chance that he will take on a big political battle in a highly sensitive area.

The sudden shift of the spotlight from world politics (sputnik) to domestic politics (the presidency) makes the situation less favorable to those who hoped for an important change in American protectionism.

Progress?

Into our garbage pails every day, it has been frequently asserted, there goes enough food to keep well fed many a smaller nation of the older world. And it is not only food that we toss away.

Most of the apple and other trees that stood in the way of the St. Lawrence Seaway were bulldozed into heaps and burned. Yet these would have made excellent fire place fuel.

In our bigger cities the same thing is happening on a smaller scale every day. Old trees, diseased trees and trees that are simply in the way, are being cut down, and most of this wood is hauled to the nearest dump while all around are empty fire places. To those dumps also, go all sorts of usable material from demolished buildings, bricks, piping and lumber.

Our "waste not, want not" great-grandfathers would find this a queer world we live in today, though they did burn down a few trees, too, when they stood in their way.

Compliment to Our Senate

Canadians have long been hearing about Senate reform, though nobody ever does anything about it. But something quite remarkable is now happening. In another country they are trying to reform their second chamber by making their body more like the present Canadian Senate.

This is what is about to happen in Britain. Reform of the House of Lords is a political chestnut in that country. Now the Macmillan government is going to deal with the problem. By what method? By appointing life peers, meaning peers who are members of the legislature for life but bequeath neither authority nor title to their offspring.

This, of course, is an exact description of a Canadian senator. He isn't called Lord This or Viscount That but he is an appointee for life. It will be interesting to see what comes of the British experiment. Meanwhile we hope the elder statesmen at Ottawa appreciate the compliment from across the sea.

Leveling Down the Peaks

Amid the uproar about prospects of winter employment, some people are overlooking an important economic fact. They are forgetting that the western world of free enterprise has been fighting a battle with inflation in recent years and has been able, in some degree anyhow, to contain that threat to solvency and prosperity.

Communists and other left-wingers have always maintained that nations with a free economy would never be able to do this. No capitalistic state, they argued, would have the nerve to interfere with an inflationary boom. It would run its course until the depression phase in the cycle was reached. Then eventually, under the strain of mass unemployment and distress, the system would collapse.

Nearly all economists agree that galloping inflation, left quite unchecked, must lead to such instability that depression will follow. Recognizing this, western governments have had the courage to take the unpopular course and slow down expansion. Businessmen and some labor leaders too, though they still ask for wage increases, have understood the basic need to maintain the value of money. The free world has been able to take a longer view of its economic interests than critics expected it to take.

The long view is a relatively new approach to the operation of the economy. Therefore it's not surprising that there has been disagreement about when to act and how far to go. In the present state of economic knowledge it's possible that any anti-inflationary measure may be too strong, not strong enough or imperfectly timed.

The important point is that the situation is more stable than it was a year ago. Policy can now veer in a new direction to alleviate unemployment. This may amount to saying that the economy still teeters between excessive and insufficient activity; but the peaks and hollows have been leveled down to manageable size.

This is Not Democracy

Three Ontario business groups have asked their provincial legislature to give serious consideration to initiating a study of a right-to-work law. Certainly something along that line is going to be needed or we could find ourselves drifting into the rigid regimentation they have in Russia. In two of the largest groups in this country, labor and farmer, there has been a steadily growing tendency to restrict the individual's freedom to choose his way of making a living.

In certain industries a worker must join a labor union or he can't hold a job and, as pointed out by an official of one of the business groups mentioned, "the livelihood of his family can be forfeited as a matter of union discipline." That is especially true for the older worker with perhaps only one kind of skill at his command. If a union throws him out of his job, he may never be able to find a comparable one.

In several lines of agricultural production, too, a farmer must turn over all of his merchantable crop to an agency that has sole control over marketing. That agency and not the individual farmer decides where, when and how much will be sold and very often the sale of that crop is the main source, perhaps the only source, of livelihood for the farmer.

If membership in these unions or marketing organizations were voluntary it would be a different matter. But for a great many people it is not. They must join or there is no work or no market.

Compulsion like this certainly is not good for the individual and it is not good for the marketing board or labor union either. As pointed out when the matter was brought to the attention of the Ontario government: "Our opposition is founded not only on the fundamental principle of individual liberty, but in the belief that only if membership in a union or other association is voluntary can its policies and principles be considered as the democratic expression of the will of the members it represents."

It Makes Sense

British old age pensions, sickness benefits, unemployment benefits and other payments from the national security fund have just been increased for the third time since the Conservatives took office in 1951.

"The Government would like to do more," says a pamphlet from Tory party headquarters in London. "But—someone must pay for these benefits. It can only be those who are still working and earning."

So the weekly contribution to the fund goes up from 7s. 2d. to 9s. 5d. (97c to $1.27) for an employed man and from 5s. 6d. to 5s. 10d. (74c to 79c) for an employed woman. "Active workers won't grudge this," says the pamphlet.

Whether they grudge it or not, they will recognize that the proposition makes sense. If larger benefits are desired, larger premiums must be paid. This is how any well-conducted insurance plan works.

Canada must eventually come round to such a plan.

Napier Moore's Scratch Pad

ARTUR RUBINSTEIN, one of the world's greatest pianists, has admitted that he hits a lot of wrong notes.

"There are two kinds of concert pianists," he told a London interviewer, "methodical ones with no heart, who never hit a wrong note, and ones like me, who give all they've got — and hit wrong notes."

Pachmann, who was not only a great pianist but a showman who added comedy touches with piano stools and handkerchiefs, also used to hit wrong notes. Many years ago, at a concert in Montreal, I heard him hit a stinker of a wrong note. Which didn't faze Pachmann one bit. Leaning over he looked directly at a woman in the audience, smiled seraphically, and said, "That was joost for you."

In his declining years, Ysaye, the violinist, occasionally scraped a wrong note. Also in Montreal, and long ago, I attended a joint recital by Ysaye and his son, who played the fiddle too. During a duet, the son, who was a bit nervous, produced a sour note. Father Ysaye glowered at him and grunted. After the concert the old maestro said, "Only I am great enough to play a wrong note."

* * *

I AM ONE OF THOSE PEOPLE who invariably have trouble in getting anybody on the telephone.

If it's a private residence I am calling, somebody at the other end has left the receiver off the hook. In the case of calls to offices, after several rebuffs by the busy beep signal, I finally get through to be told that the man I want to talk to has "just stepped out a moment." Or he has just gone to lunch. Or he is attending an important meeting. There doesn't seem to be any other kind of meeting. They're all important, even if they are being held on the golf course. Sometimes my man is in New York, Miami, Halifax or Nanaimo. At other times he will have just slipped across to the bank.

I am resigned to all such explanations of unavailability. I know what to expect. But the other day, in Nassau, I ran into something entirely new.

I wanted to speak to a Mr. Albury, a radio engineer at the International Airport. The man who answered my call said he was sorry, but Mr. Albury wasn't in. I asked if he had any idea where Mr. Albury might be reached, because the matter was rather urgent. He said it would be difficult to reach Mr. Albury because at that moment he was at the very top of the airport's antenna pole.

* * *

MY RECENT REFERENCE to the late Frederick Edwards, veteran newspaper man, recalled to Tom C. McCall, of Windsor, a discussion he had with Freddie concerning public relations in the political field. Edwards, who had covered an R. B. Bennett election campaign, related how appalled R. B. was by some of the things his publicity people wanted him to do. To the suggestion that he be photographed looking into a newsreel camera outside the Parliament Buildings, Bennett said, "Must one do this sort of thing to become Prime Minister of Canada?"

* * *

ALL SCIENTIFIC ACHIEVEMENT isn't confined to Outer Space. Brains have triumphed in the search for comfort on the part of movie-goers who haven't been able to enjoy a film and hear the dialogue because of the crackling of popcorn bags and the crunching of their contents.

At the second International Trade Show of the Theatre Equipment and Supply Manufacturers Association, the Theatre Equipment Dealers Association and the National Association of Concessionaires, held in Miami, there was rejoicing over the announcement of the invention of a noiseless plastic popcorn bag and silent popcorn. The popcorn muffler, of all things, is butter! Popcorn sprayed with butter keeps quiet.

All that remains now is for some genius to remove the smell. Nothing can be done to prevent the smacking of lips.

* * *

QUOTES of the week:

Lord Attlee, in an aside overheard at a Socialist meeting debating reform of the House of Lords, "I dislike the House of Lords being referred to as a 'second chamber.' I prefer 'ancillary convenience.'"

Mrs. Gregg Juarez, former "Bobo" Sigrist, the heiress who eloped with the interior decorator, interviewed following the birth of a daughter — "Gregg has designed and decorated a beautiful nursery for baby. It's just like the one Louis XV had for his mistresses' children."

* * *

IN A DRUGSTORE, on a stand displaying those handy-size paper-back reprint books, I noted the following titles: "Framed in Blood" — "Fire in the Flesh" — "Walk with Evil" — "Women without Men" — "The Lady Who Took a Bath" — "The Price of Murder" — "The Baby Doll Murders" — "The Voodoo Murders."

I was told that they have enjoyed huge sales in the U. S. I doubt that one would be able to find them in Russia.

Stop Me, If—

"Why didn't you report the robbery at once?" an insurance agent asked a woman claimant. "Didn't you suspect something when you came home and discovered all the drawers opened and the contents scattered?"

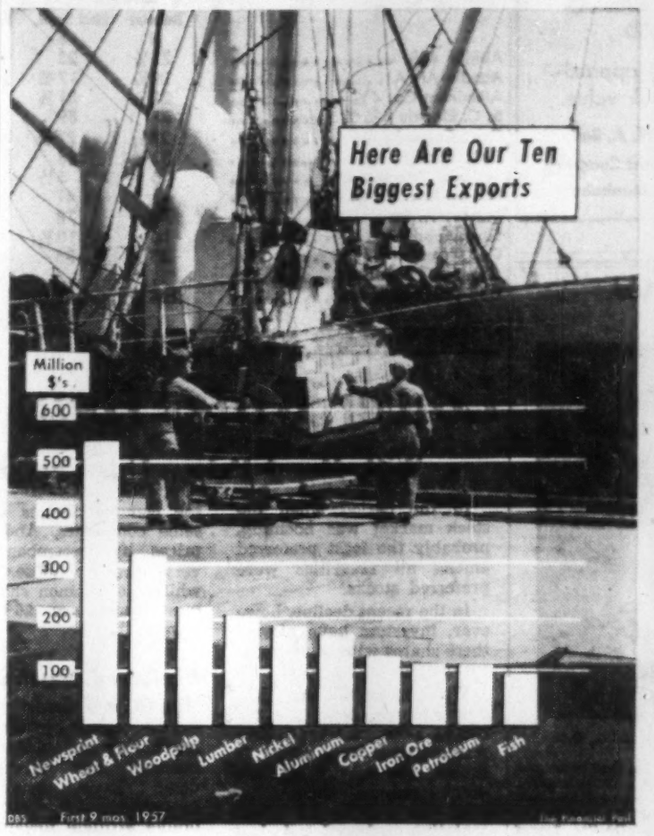
"Not really," she replied. "I thought my husband had been looking for a clean shirt."

* * *

"I'm sorry to tell you that you'll be a widow soon," said a fortune-teller to her client. "Your husband is going to die a violent death."

"Will I be acquitted?" asked her client eagerly.

FOREIGN TRADE



Post Scripts

Accountant Moves Up

Perhaps it is a sign of the competitive times in construction generally that the new president of Standard Paving & Materials Ltd., one of the largest companies of its kind in Canada, is a chartered accountant.

MR. REID

But that is by no means the only qualification which John Harwood Reid brings to the post to which he was recently appointed. During more than 25 years' service with the company, he has been closely associated with a wide variety of phases in the manufacture and supply of building materials and in highway construction generally — fields in which Standard Paving specializes through about ten subsidiaries.

Born and educated in Toronto where he qualified as a member of the Institute of Chartered Accountants of Ontario, he was in public accounting till 1934 when he joined Standard Paving as comptroller. His progress upward has been steady. He became treasurer about 1940, then secretary, and was appointed vice-president, finance in 1952, and executive vice-president in 1955.

When he joined the company in 1934 its net profits were $239,000. In 1956-57, they topped $1.6 million and the company had a peak labor force of around 1,000 people. He lives in the northern part of Toronto, is 52 years of age, and is married with two teenage daughters and a nine-year-old son. He is a member of Toronto Board of Trade and the Granite Club, Toronto.

Canada's Biggest Boss

With the change in power at Ottawa which brings new and inexperienced heads to cabinet positions and another general election looming within months, much responsibility for continuity of government falls on the federal civil service. Heading that force of 150,000-odd permanent employees, the largest group in the country, is a former diplomat, Rhodes Scholar and footballer, Arnold Danford Patrick Heeney. He was appointed chairman of the Civil Service Commission only a few months ago.

MR. HEENEY

He was born 55 years ago in Montreal, the son of an Anglican canon and attended St. John's College School in Winnipeg. At the University of Manitoba he captained the football team, earned his BA (English, French, Literature) at 19, his MA (English and History) at 21, then his trip to Oxford.

After Oxford, he returned to McGill "to learn a trade," studied law and was admitted to the Quebec bar with his BCL. From 1929 to 1938 he practised with Meredith, Holden, Heward and Holden, as it was then, taught law at McGill on the side. His K.C. came in 1941.

In 1938 Prime Minister King invited him to come to Ottawa to organize a cabinet secretariat similar to the U. K. model. In 1940 he became clerk of the Privy Council and cabinet secretary. During World War II he played a significant part in behind-the-scenes government and soaked up Big Government know-how.

In 1949, when L. B. Pearson moved into politics as External Affairs Minister, Heeney moved sideways to take his place as under secretary—top civil servant of the External Affairs department.

For 18 months, 1952-53, he was Canada's permanent representative to the North Atlantic Council and to the Organization for European Economic Co-operation, living in Paris.

From late 1953 to the past May 8 he was ambassador to the United States.

Heeney is married to the former Margaret Yuile of Montreal. They have a son, Brian, 24, an ordained Anglican minister in the family tradition, and a daughter Patricia, 20, at McGill. His recreation takes the form of "bad golf" (middle 90s) and "slapstick skiing," he says.

Chief problem is keeping up the acknowledged high standard of the civil service in an era of higher salaries for topnotch talent in industry. Others looking for ways to (a) overhaul the relatively unamended Civil Service Act of 1918, (b) push the latest in modern administrative practices such as punch card systems and spot instead of detailed checking of forms in triplicate or better.

He admits with refreshing frankness that bigness in government makes for some inefficiency at low levels but insists that it's no worse than in any large private enterprise office. "Trips to the water cooler are no more frequent here than in, say, the big insurance company," is about the way he finds it.

Speaks for Manitoba

For the Manitoba Chambers of Commerce this has been a successful and unusual year. At its recent 27th annual meeting in Brandon, at which Francis J. Scott of Winnipeg's suburban city of St. James was elected president, the organization reported a record membership, of 104 Chambers representing all the incorporated cities and towns and many of the larger villages of the province.

MR. SCOTT

The annual meeting was unusual because the dominant topic of its discussions was education on which 19 separate resolutions were presented. Education is currently the subject of inquiry by a special commission appointed by the Legislature during the 1957 session and is likely to be a major issue in the booming provincial election. It may be of some significance that the Manitoba Chambers of Commerce devoted so much attention to it at its Brandon meeting.

Forty-seven year old F. J. Scott, the new president is a resident of St. James, secretary of its 200-member Chamber of Commerce, and business manager of a medical clinic in Winnipeg. Born and educated in Winnipeg—his father was a painting and decorating contractor—he was the only one of the family not accepted for war service in the last war. His five brothers enlisted in the army, and all served overseas.

At 17 Scott joined the staff of the Royal Bank of Canada and worked 8 years in its Winnipeg branches. For the succeeding 12 years he was employed by the T. Eaton Co. From 1949 until he accepted his present position two years ago he was a department supervisor with the Canadian Wheat Board.

Married with two sons, 17 and 8, Scott's election as president of the Manitoba Chambers was a logical line of succession as he had been vice-president for the last three years.

What Others Are Saying

Editorial of the Week

Not a Solution

Edmonton Journal

An important principle is at stake in the appeal now before the Federal Cabinet for a subsidy to keep a copper mine in operation.

Because of the enormous stockpiles already accumulated and other factors, the world price of copper is currently depressed. Mines with low-grade ore or high-cost operation are first to feel the pinch. When the price of copper was twenty-five and one-half cents per pound last August, the mine reported it was losing $40,000 a month. The union refused to take a 15 per cent cut in wages but agreed to waive overtime rates for weekend shifts. Since then the price of copper has dipped to twenty-two cents.

Whether it be wheat or copper or any other commodity, the taxpayers should not be called upon to finance uneconomic production. To stimulate artificially the production of something that cannot be sold except at a loss leads only to an economic morass. A factory owner producing an article he found he could not sell at a profit would hardly go to the Government and say: "If you do not pay me $5,000 a month I will have to close down and 1.) persons will be out of work."

Other People's Views

TARIFF PRODUCTION alone is not going to solve all the textile industry's problems, asserts the **Sherbrooke Record.** "The industry, given fair protection, must always strive for new and more efficient methods of production, combining this with aggressive marketing techniques."

IN COMPLETING THREE FULL YEARS without a traffic fatality Medicine Hat has set an example to the rest of the nation, says the **Calgary Herald.** "Surely no greater proof than this exists that the heavy toll in modern traffic is unnecessary. Medicine Hat's record is the product of many things, including a tremendous effort at the outset of the campaign three years ago and finally the momentum of the record itself."

IN TOO MUCH SPORT TO-DAY youngsters are taught that winning is all that matters, declares the **Brockville Recorder and Times.** "This attitude is prevalent in all types of sports in all places where sports are played today. The weak player, or the little fellow sometimes doesn't get a chance to play because of it. It has robbed most amateur sport of much of its former attraction. Just anybody who is interested can no longer play."

OUR TRADE POLICY should be Canadian, declares the **Vernon (B.C.) News,** "and not obliquely slanted against either British or American industry. A very real danger is that Canada, by reviving its national policy even in limited degree will be tempted to pay off real or imagined wrongs."

HUNTING FATALITIES are rarely pure accidents, declares the **St. Thomas Times-Journal,** "They are invariably the result of sheer carelessness, recklessness, stupidity or any other term that fits. The man who shoots at rustling leaves should, like 'impaired' or careless motorists, have his hunting licences suspended for several years, or taken away from him altogether."

NO ONE CAN HONESTLY ARGUE, that our divorce laws hold families together or prevent immorality, declares the **Vancouver Province,** "They do not stop divorce, and by their very stipulations, they encourage immorality."

THE MOST PERFECT MONOPOLY ever known in history, is the way the **Peterborough Examiner** describes the liquor business of the Ontario government. "It sells a popular product at wildly inflated prices, it pretends to a highly moral reluctance to do so, and it manages to induce a mild sense of guilt in the purchaser by involving him in red tape as he spends his money."

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Lotteries Yield Cash, No Grief

"Mac the Bookie" Has Raised £114 Million; Irish Sweeps $351 Million

By J. B. McGEACHY

Last month, with great travail of body and mind, money for charity was raised by the community chest or united appeal in sundry Canadian towns. Some fell short. Toronto, for one, gathered in $8.2 million instead of the $8.9 million the campaigners had hoped for.

Could the whole amount have been collected, with less strain, ballyhoo and heart-burning, by a lottery under municipal auspices? The answer isn't necessarily yes; but the question is worth looking into.

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Lotteries Yield Cash, No Grief

"Mac the Bookie" Has Raised £114 Million; Irish Sweeps $351 Million

By J. B. McGEACHY

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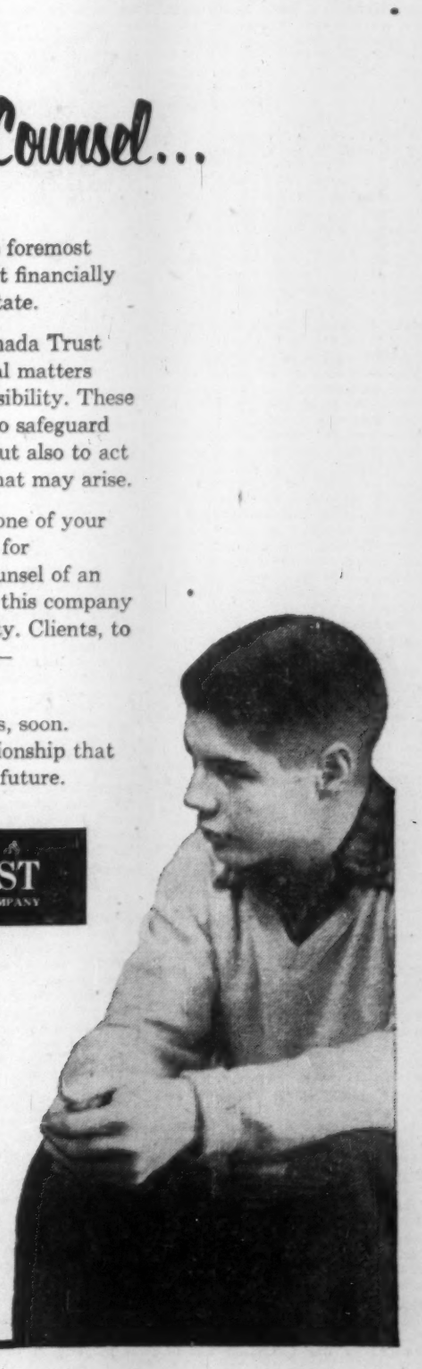
Perhaps there will come a time when one of your loved ones—a young son or daughter, for instance—will welcome the mature counsel of an understanding adviser. The officers of this company are well qualified to act in this capacity. Clients, to them, are not mere names in a ledger—they are *people*.

Call in and see one of our trust officers, soon. Start to lay the foundations of a relationship that may mean a lot to your family in the future.



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57-19

ANNOUNCEMENT

GORDON R. BALL

G. ARNOLD HART

B of M PRESIDENT CALLS FOR NATIONAL SELF-DISCIPLINE IN FIGHT AGAINST INFLATION

Gordon Ball Urges Larger Foreign Exchange Reserves

ARNOLD HART, GENERAL MANAGER, REPORTS PAID-UP CAPITAL HIGHEST IN CANADIAN BANKING HISTORY — CONFIDENT OF BUSINESS PROSPECTS

Continuing steady growth of the Canadian economy and containment of inflation can both be achieved, but to do so will depend on intelligent self-discipline at all levels in the conduct of the nation's economic affairs, according to Gordon R. Ball, president of the Bank of Montreal.

Mr. Ball told B of M shareholders at their 140th annual meeting that attainment of this double objective is "a challenge, not a certainty" and will depend on the preservation of the purchasing power of the Canadian dollar.

"It may be a very old-fashioned doctrine, but I think a very true one none the less, that the achievement of a better standard of living, in the real sense of the word, involves a measure of self-discipline," he said. "It is in the long-run environment of a dependable dollar that the economy will enjoy the steadiest and most fruitful progress."

Shareholders also heard G. Arnold Hart, general manager of the B of M, present a statement reflecting substantial advances by the bank "under conditions of extremely tight money," with record total assets reported at $2,866,000,000, at the October 31 year-end.

This Year's Business Slow-Down

Reviewing the past year, Mr. Ball said despite a new record in the total output of the economy, there has been a distinct slowing-down in the pace of business, with expenditures for all goods and services in recent months differing little from the rate of a year ago.

This slackening throughout Canada's economy has seen outlays for capital equipment and consumer goods, and demands for exports levelling off, or in some cases declining, he said.

Despite a higher total number of unemployed, Mr. Ball continued, more people were working than ever before and were being paid more, so that the aggregate wage and salary income of the country continued to climb. "But this was largely offset by a decline in the net income of the agricultural community and a contraction of business profits," he said.

"While the trend of imports, like that of exports, flattened out, the deficit in Canada's international trade continued to be very large. Yet the inflow of capital funds, notably from new security issues floated by Canadian borrowers abroad, was sufficiently strong to outweigh the trade deficit, and the exchange value of the Canadian dollar remained at a premium over the U.S. dollar."

Larger Exchange Reserves Needed

This premium served to intensify Canadian exporters' problems and those of producers of goods competing with imports in the domestic market, Mr. Ball said. However, he added, that was opposed to the suggestion that the government should act to reduce the premium or to fix exchange rates. "Such action would involve the expenditure of virtually unlimited amounts of government funds, with consequent inflationary effects," he commented.

Nevertheless, he continued, "I believe the government should give thought to the advantage, as a long-term policy, of enlarging our official exchange reserves." He had in mind such action "at times when it would not aggravate inflation to do so." While most of the vastly increased amount of foreign investments in Canada is undoubtedly permanent, "a substantial part of it could conceivably be recalled," he said. "It might be prudent, therefore, to consider adding to the reserves," so as to reflect Canada's position as a trading nation and to prepare for the future when incoming capital might possibly be reduced.

Significant Cross-Current in Prices

Continuing his review of the year, the B of M president said the pattern of price movements suggests that it takes time for a general price advance in basic materials to work its way through to a price-rise in finished products and that the latter may persist for some time after the former has ceased.

In this general picture, the restraints of tight money have been apparent, Mr. Ball went on, and in consequence, market interest rates have remained high, with some moving to new peaks, although Canadian and U. S. monetary policies appear to have undergone significant changes in recent weeks.

Against this background, "with virtually no increase having been permitted in the Canadian money supply, in the year to the end of October, the banks had little leeway to expand their total credit to Canadian borrowers although they enlarged their loans and reduced their securities holdings moderately," he said.

Opposes Bank of Canada Proposal

Mr. Ball proceeded to comment on "fundamental and permanent changes in the Canadian banking system" proposed by the Governor of the Bank of Canada earlier this year. These proposals would have, in effect, prescribed the assets the chartered banks should hold against their personal savings deposits, he said.

"This suggestion took the banks by surprise. It also gave rise to immediate concern on the part of many depositors and the public at large." Such changes required "the most careful consideration and the fullest public discussion." Mr. Ball had advised the Minister of Finance, and should be implemented, "if at all, by changes in banking legislation.

"The Minister did not present the proposal to Parliament and in fact gave assurance that, in future, any such suggestion would be fully aired and subject to regular legislative procedures," Mr. Ball recalled. This incident, he believed, served to remind Canadians everywhere that their banks are strong because they have developed in response to the expanding and changing needs of the economy and people, "not on the basis of any rigid formula."

Banks Battle Inflation

The government's efforts to combat inflation, protecting Canadians' purchasing power, has "had the full support of the chartered banks," Mr. Ball continued, and the effectiveness of traditional and flexible control of the money supply has been apparent.

Unpleasant as tight money has been for everyone concerned, Mr. Ball said he believed "Canadians have come to realize that the costs and inconveniences are small compared with the costs and inequities of inflation. It is true beyond dispute that the boom would have been far more extreme and the adjustment far more painful had monetary policy been less severe or less effective."

Room For Confidence

Summarizing this year's business trends, Mr. Ball said he assessed the picture as having reflected a moderate readjustment, adding, "I am not among those who regard the business outlook with pessimism."

"We in the Bank of Montreal certainly see no reason for revising our preparations and plans to grow with a growing Canada. During the year we have issued 900,000 additional shares of capital stock which were readily subscribed," he continued.

Problems of Inflation

But, although he believed the 1957 business lull would pass, Mr. Ball said he was also convinced "we should not unduly let down our guard" against inflation, noting that the forces of inflation, "while fortunately being brought under a measure of control in Canada, are far from being held in check in some other countries."

"And," he added, "it is but sober realism to recognize, not only that disappointingly little headway has been made to resolve the uncertainties of world affairs and reduce the need for armaments, but also that developments in the conquest of space within the past two months have added new urgency to the need for concerted effort and preparedness on the part of the free world. In those circumstances, Canada, with its network of close economic and other international ties, would be hiding its head in the sand to assume that the fight against inflation had been won."

General Manager's Address

G. Arnold Hart, general manager of the B of M presented the bank's 140th annual statement and reported that after setting aside $9,191,000 for income taxes — $1,396,000 more than last year — net profits amounted to $9,649,692.

Of this amount, $7,946,013 will be paid to shareholders as dividends, equal to $1.60 per fully-paid share, Mr. Hart said. After these provisions, $1,703,697 was added to undivided profits, now standing at $2,133,834.

"It is interesting to note that on the basis of the increased number of fully-paid shares outstanding at October 31 last, provision for taxes was equivalent to $1.72 per share, whereas net profits after taxes were equal to $1.80 per share," he said.

Highlights of the general manager's address also revealed an increase of 125,000 deposit accounts had been reported during the fiscal year, including 93,000 savings accounts.

Loans Reach New Highs

Indicative of the part the bank is playing in the nation's current high level of economic activity, B of M total loans reached a new high figure of $1,438,000,000, an increase of $55,000,000 over the previous year, the general manager said.

Most significant increases in loans during the year were in the mortgage category, he continued, where a rise of $27,000,000 over last year, to $131,000,000 was recorded.

Continuing on this theme, Mr. Hart said, "we have endeavoured to follow a consistent policy in meeting the requirements of customers for mortgage funds and while of necessity our program has had, at times, to be geared to prevailing monetary conditions, this bank has never withdrawn from the field of mortgage lending."

On the subject of loans generally, Mr. Hart said, "We are ever mindful of the business and personal credit needs of smaller borrowers and it is our constant endeavour to accommodate them for their proper and reasonable requirements."

Views Business Scene With Confidence

Reviewing business developments during the year, Mr. Hart said, although trends were mixed, there had been a general tendency towards a plateau.

"A key factor," he said, "has been a levelling off in outlays of a capital nature and this in turn has led to an abatement in the rise of capital equipment imports. However, the decline in residential construction that marked 1956 was arrested this spring and it now appears likely that the number of new dwellings started this year will exceed 100,000, which would be less than last year but more than initial expectations."

Summarizing, the B of M general manager said that under the economic circumstances which have been in effect, it is not surprising that Canada's industrial output had lost some momentum. But there was room for encouragement on several scores, he thought, especially in "the undiminished rise of total personal income."

He continued, "The period of adjustment through which we have been passing is probably not yet ended. Yet amid the conflicting trends that have marked the past year and may well continue in the months ahead, we should not lose sight of the predominant fact that there is no basic weakness in the Canadian economy that warrants pessimism or lack of confidence."

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If You Give Fast Delivery Russia Wants Machinery

(CONTINUED FROM P. 1)

— a combination of government and state trading company officials — in fish processing that one or two members may go to the west coast for a look.

Our synthetic yarns also have drawn some Soviet study.

The Russians are more interested in selling than buying, although it's a two-trade delegation.

They would like to boost sales here in order to balance recent large wheat purchases from Canada and maybe make possible further wheat buying.

Traditional products like furs, precious stones, glass and certain specialty products are available — and possibly at improved prices.

Also, the Iron Curtain traders are offering some rather surprising products, including fuel oil and ferroalloys.

The Russian problem is that Canada produces many products competitive with those from the Soviet. So it boils down to a matter of prices and tariffs.

The mission is said to be "unofficial." It follows representations to the Canadian government made some time ago.

The nine-man group is traveling with officials from the Russian embassy in Ottawa and the Canadian trade department.

On its schedule before departure — probably around Dec. 20 — are Montreal, Ottawa, Toronto.

It was in Montreal this week.

Russian-Canadian trade has been pretty slim.

Our imports from Russia were down to almost nothing in the late forties, hit more than $2 million in 1952, were $1 million in 1956.

Our exports were almost $5 million in 1947, but immediately became insignificant until wheat lifted the figure to $24.6 million in 1956.

Two Airlines Seek Routes

OTTAWA (Staff)—The Conservative government which has been trying to punch out an airlines policy to permit competition for **Trans-Canada Air Lines** but not economic hardship, this week discovered that it has not just one second in its corner but three.

For some time, **Pacific Western Airlines** (FP, Oct. 12) has been parked patiently on one stool. PWA has applied to the Air Transport Board to carry passengers from Vancouver to Windsor.

Now, two more airlines are just outside the TCA monopoly ropes. They are:

1. **Canadian Pacific Airlines.** CPAL has taken the first formal step, filed an application for a Vancouver - Montreal passenger franchise (the juiciest airline plum).

2. **Maritime Central Airways** has also just now filed—for a transAtlantic franchise to carry passengers between Montreal and Luxembourg.

114 Stocks Yield Averages 5.44%

The average yield on 114 dividend-paying stocks on the Toronto Stock Exchange, as compiled by **Moss, Lawson & Co.** on the prices of Dec. 2, was 5.44%, off .06 from the previous week. The current yield compares with 5.71% one month ago and 5.17% in the corresponding week last year.

Here is the yield by the various groups:

	Dec. 2 %	Week Ago %	Month Ago %	Year Ago %
Common	4.99	5.08	5.33	4.64
Pfd. & A	5.36	5.48	5.60	5.16
Mining	7.01	7.00	7.12	6.89
Banks	3.74	3.83	3.96	3.40

Oil 'Competitor' May Stir Volcano

(CONTINUED FROM P. 1)

ket has just been completed by a New York firm of petroleum market consultants.

This was sponsored by a group of Alberta independent producers.

Up to date, the group has not disclosed the findings, or recommendations, contained in the report.

The big integrated oil companies with Montreal refineries are strongly opposing the "onto-Montreal" move.

Foreign oil is cheaper than Canadian and even if the one, or more, suggested moves were made to bring Alberta crude into competitive price range, the historic ocean suppliers of crude could make the going pretty tough, they say.

It's better to keep the oil in the ground and wait the virtually certain sharp growth in the U. S. market over the next few years.

Producer Opinion

But Alberta producers with shrinking revenue and heavy land commitments think otherwise.

There is no doubt in their minds that the Montreal market could be economically broached if the big refiners decided it was politic to do so.

One thing is certain:

To serve the Montreal market — or even a 150,000 b/d portion of it — would mean heavy expenditure on added compression and big pipeline looping jobs on the presently operating Interprovincial line.

Over-all cost would likely be over $200 million.

This money could not be raised unless the five refiners in Montreal — soon to be six — signed a throughput agreement to take bulk of their oil requirements from the west over a 20-30 year period.

This they certainly aren't prepared to do now.

The time could come though when with certain adjustments — wellhead price cuts, pipeline rate reductions, tariff moves against imported oil — they might be ready, or at least consider it politic, to do so.

RIDDELL, STEAD, GRAHAM & HUTCHISON

Chartered Accountants

QUEBEC, MONTREAL, OTTAWA, TORONTO, HAMILTON, WINNIPEG, CALGARY, EDMONTON, VANCOUVER

and

WM. C. BENSON AND COMPANY

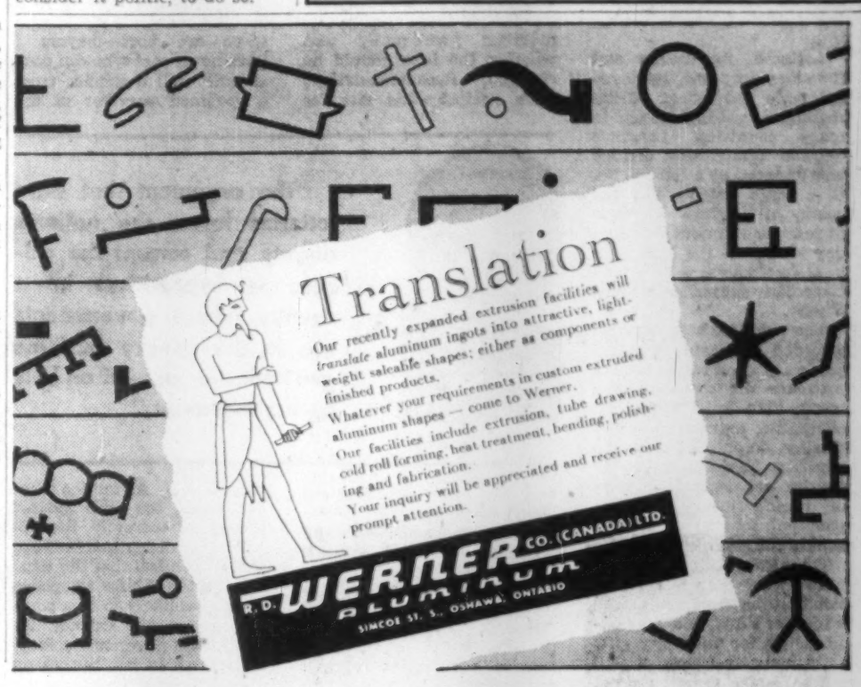
Chartered Accountants

LONDON, ONTARIO

have pleasure in announcing the merger of their practices

The partners of Wm. C. Benson and Company G. W. Benson, F.C.A. and G. A. MacDougall, F.C.A. become partners of Riddell, Stead, Graham & Hutchison

The combined practices in London will be carried on with offices at 200 Queens Ave.



NEW SERIES

$15,000,000

British Columbia Electric Company

Limited

(Incorporated under the laws of British Columbia)

5½% CUMULATIVE REDEEMABLE PREFERRED SHARES

(Par Value $50 per Share)

Preferred as to assets and dividends. Cumulative preferential dividends at the rate of 5½% per annum, and no more, as and when declared by the Board of Directors, will be payable quarterly in Canadian currency on the first days of January, April, July and October at par at any branch in Canada of the Company's bankers. Dividends will accrue from 18 December 1957. Redeemable at the option of the Company at any time in whole or from time to time in part, on not less than 30 days' notice, at par plus a premium of 4% thereon, plus an amount equal to all unpaid preferential dividends to and including the date fixed for redemption. These Preferred Shares when issued will be fully paid and non-assessable, and the rights, preferences, priorities, restrictions and conditions attaching thereto are more fully set out in the Statutory Information forming part of the Prospectus. The authorized Preferred Shares of the Company may be issued from time to time in one or more series and the shares of each series rank equally with and in all respects possess the same rights, preferences and priorities and are subject to the same restrictions and conditions as the shares of every other series, except that one series may differ from another or others in respect of one or more of the following matters, namely, (i) the rate or amount of the preferential dividend, (ii) the rate or amount of premium payable on redemption and (iii) the par value.

Registered share certificates will be exchangeable for bearer share warrants (or vice versa) at the option of the holders.

Transfer Agent: Montreal Trust Company—Victoria, Vancouver, Winnipeg, Toronto, Montreal and Halifax.

Registrar: The Royal Trust Company—Victoria, Vancouver, Winnipeg, Toronto, Montreal and Halifax.

In the opinion of Counsel, these shares will be investments in which companies registered under Part III of the Canadian and British Insurance Companies Act may, without availing themselves for that purpose of the provisions of sub-section 4 of Section 63 of said Act, invest their funds or any portion thereof.

Applications have been made for the listing of these Preferred Shares of British Columbia Electric Company Limited on the Vancouver, Toronto and Montreal Stock Exchanges.

We offer, as principals, these Preferred Shares, if, as and when issued and accepted by us and subject to prior sale and allotment and subject to the approval of Messrs. Douglas, Symes & Brissenden, Vancouver, B.C., on behalf of the Company, and of Messrs. Common, Howard, Cate, Ogilvy, Bishop & Cope, Montreal, Que., on our behalf, who will rely upon the opinion of the Company's Counsel in respect of all matters of local law in British Columbia.

PRICE: $48.50 PER SHARE TO YIELD 5.67%

It is expected that registered certificates and bearer share warrants, both in interim form, will be available for delivery on or about 18 December 1957.

A copy of the Prospectus which has been filed with the Registrar of Companies of British Columbia will be forwarded promptly upon request.

Nesbitt, Thomson and Company, Limited — Wood, Gundy & Company Limited — Société de Placements Inc.

A. E. Ames & Co. Limited — Dominion Securities Corpn. Limited — Royal Securities Corporation Limited — W. C. Pitfield & Company Limited

Pemberton Securities Limited — McLeod, Young, Weir & Company Limited — Greenshields & Co Inc — James Richardson & Sons

Cochran, Murray & Co. Limited — Midland Securities Corpn. Limited — Collier, Norris & Quinlan Limited — Mills, Spence & Co. Limited

René-T. Leclerc, Incorporée — The Western City Company Limited — Yorkshire Securities Limited — Gairdner & Company Limited

Okanagan Investments Limited — Harris & Partners Limited — Burns Bros. & Denton Limited — Equitable Securities Canada Limited

R. A. Daly & Company Limited — Eastern Securities Company Limited — Odlum Brown Investments Ltd. — Hagar Investments Ltd.

Thomas B. Read Company Ltd. — Tanner Bros. Limited — Carlile & McCarthy Ltd. — Anderson & Company Limited

F. J. Brennan & Company Limited — McDermid, Miller & McDermid Ltd. — James, Copithorne & Birch Ltd.

Hall Securities Limited — Houston, Willoughby & Company Limited

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Auto Production

	Wk. End. Nov. 30	To date 1957	To date 1956
Am. Motors:			
Rambler	....	1,792	1,191
Total cars	....	1,792	*5,254
Chrysler:			
Chrysler	98	4,075	5,569
Desoto	49	282	* 1,398
Dodge	771	33,181	40,968
Plymouth	689	29,596	35,586
Total cars	1,607	67,134	83,521
Dodge	57	3,589	6,200
Fargo	63	3,484	5,540
Total trucks	120	7,073	11,740
Cars, trucks	1,727	74,207	95,261
Ford:			
Edsel	199	3,353	....
Ford	1,780	55,010	63,690
Mercury	182	9,603	6,875
Meteor	837	27,903	30,880
Monarch	....	7,557	7,312
Total cars	2,998	103,426	108,757
Ford	232	16,180	19,283
Mercury	90	6,269	7,897
Meteor divy.	8	700	577
Total trucks	430	23,149	27,757
Cars, trucks	3,428	126,575	136,514
GM:			
Buick	427	13,400	17,256
Chevrolet	1,940	69,921	62,908
Oldsmobile	356	12,882	9,507
Pontiac	1,428	44,129	42,465
Total cars	4,151	140,332	132,136
Chevrolet	391	15,320	21,289
GMC	284	10,474	15,033
Pontiac divy.	14	586	1,298
Total trucks	689	26,380	37,620
Cars, trucks	4,840	166,712	169,756
International:			
Trucks	156	10,476	14,416
Stude.-Pack.:			
Stude. cars	....	5,226	8,082
Totals:			
All cars	8,756	317,910	337,750
All trucks	1,395	67,078	91,533
All vehicles	10,151	384,988	429,283
Last week	8,915		
Last year	11,531		

*Includes Nash & Hudson cars.
Source: Canadian Automobile Chamber of Commerce.

ANNOUNCEMENT

IMPERIAL OXYGEN, LIQUID CARBONIC REGIONAL MANAGER

J. HOWARD POPE

J. Howard Pope has been appointed Ontario Manager for Imperial Oxygen Limited and its associate company, Liquid Carbonic Canadian Corporation Limited. Mr. Pope, who has been with Imperial Oxygen for the past 15 years, will continue to make his headquarters in Toronto with supervision over the Toronto and Windsor operations.

Anaesthetists Get Together To Form Own Mutual Fund

(CONTINUED FROM P. 1)

thetists' Fund is intended to complement it.

The peculiar income pattern of the profession, a slow rise to a plateau, makes it difficult for the young doctor to save money, let alone invest it, he says. The younger medical men were anxious to find a scheme which would allow them to do both, periodically and on a small scale.

At the direction of the Canadian Anaesthetists' Society, a committee was formed to study the problem, headed by Dr. Gordon.

They decided that a mutual accumulating fund would be the best method of attaining their objectives.

In addition to providing a convenient periodic savings plan, the purpose of the fund is to help the doctors participate in the growth of Canada through the purchase of common shares of prominent companies.

The fund is devised so that there will be no sales charge in connection with the purchase of shares. Other than the necessary charges of administration and management, which will be deducted from income, there will be no expense to the shareholder.

Periodic monthly subscriptions of a minimum of $20 are required to participate in the savings program. The maximum monthly subscription is unlimited. Participants will deposit pre-signed cheques with **Royal Trust Co.** which will administer the fund.

Shares may also be purchased on an outright cash basis, providing that the initial purchase has a minimum value of $240.

Dr. Gordon, the sparkplug behind the plan, is secretary of the Canadian Anaesthetists' Society and president of Anaesthesia Associates.

A native of Watrous, Saskatchewan, he originally came to Toronto at the age of 16 on a violin scholarship, and later played professionally.

With him on the fund's board are four other doctors, all of Toronto: Dr. H. J. Shields, Dr. R. H. Meredith, Dr. R. M. Stringer and Dr. R. A. Chaplin.

The other three board members are investment men: A. E. Barron, H. A. Rapsey and D. M. M. Ross. **Fry & Company (Investment Management) Ltd.** is the fund's investment manager.

Initial offerings will consist of 995,000 Class A shares (p.v. $1). Authorized capital is 995,000 Class A shares and 5,000 Class B shares.

As with other mutual funds, the Class A shares are redeemable at net asset value, at any time, at the holder's option.

Fur Cutters Resume Work After Strike

MONTREAL (Staff) — Fur pelts were moving along the work benches in Montreal and Toronto again this week.

For a few days an unofficial strike had seemed to put the Christmas Day luxury gift-coat in jeopardy (**FP**, Nov. 30).

Last week over 1,000 fur cutters in the two cities went to attend an indefinite meeting. This had the effect of a strike.

In the traditional pre-yule rush the move was an effective squeeze play.

This week fur workers' union announced settlement of the contract.

New agreement lasts three years and provides minimum hourly wage of 90c for women and $1 for men.

Fringe benefits, spaced wage increases during the contract period and a reduction in the work week from 42 to 40 hr. with no pay loss are included.

Total increase: 26c per worker.

But the Christmas fur coat is still not in the clear. Similar demands are expected soon from the 1,500 employees of the fur manufacturing industry in the two centres.

Feeling was that the same tactics may be used.

Zellerbach Canada Dividend Reduced

Crown Zellerbach Canada Ltd., Vancouver, has cut its fourth quarter dividend to 12½c per share from the usual 25c quarterly. Total dividends per share for the year now amount to 87½c instead of $1.

In a letter to shareholders, P. T. Sinclair, president, states that the dividend reduction is due to the pulp and paper industry's strike aggravating already adverse operating and marketing conditions.

The company's mills at Ocean Falls and Elk Falls have been closed since Nov. 14.

"The strike occurred when the unions rejected a government-appointed conciliation board majority award amounting to an 8.5% increase in cost to us, which was accepted by our company," the letter states.

Net earnings of the company were down 24.6% in the first nine months, compared with the same period last year.

PILKINGTON EXPANDS

Pilkington Glass Ltd. has opened a $500,000 glass centre in Vancouver at South East Marine Drive and Main St. It is part of a modernization and expansion program started by Pilkington last year when two other glass centres were opened at London and Hamilton in Ontario. **International Varnish Co.**, a Pilkington subsidiary, will also operate out of the Vancouver centre.

Home Loans Keep Moving

OTTAWA (Staff)—By the end of this week, the $150 million direct government lending fund for low-cost housing will be fully earmarked but the end of the spurt is not yet in sight.

It is expected here that no firm indication of the potential market for low-cost housing will appear till possibly next April. Meanwhile demand continues and, even in dear-land areas like Toronto, homeowners are asking for loans faster than builders can arrange them.

Central Mortgage & Housing Corp. now expects to handle 45,000 loans instead of the 30,000 planned for.

Processing of new loan requests will continue since the proposal to provide a further $150 million fund for CMHC is considered certain to get Parliament's approval.

CMHC has now shelved plans to tighten up staff operations which were put forward a few months ago.

LATE ELECTION?

MPs Are Breathing Easier More Time to Raise Cash

OTTAWA (Staff) — Members and would-be Members of Parliament are breathing a little easier these days.

The reason: It looks as if they may be spared from electioneering until next fall.

The government now hopes to stave off a general election till then.

This means more time to put together more money to pay for the next campaign.

Cost per candidate for the June election was close to $4,500, probably will be more next time out.

Last time out 741 candidates stated under oath their agents spent a total of $3.3 million, according to figures just released by the chief electoral officer of Canada, Nelson Castonguay.

In the 1953 general election (number of candidates making statements unavailable but about the same), the total was $2.5 million. And in 1949, the sworn testimony was that $2.2 million was spent.

Here's a quick look at the 1957 figures:

- **Top spender** was industrial Ludger Dionne, unsuccessful candidate in Beauce (Que.). He spent $58,022.
- **Three other unsuccessful** candidates, also in Quebec, apparently, spent nothing on their campaigns.
- **121 candidates** including three who were successful didn't file statements. The three who are now MPs got the required time extensions from judges; if the other 118 did not do likewise, they have left themselves open to the long-shot possibility of court action by one of their riding constituents and possible substantial fines.
- **Liberal candidates** who made statements reported spending (1953 figures in brackets) a total of $1,669,669 ($1,287,138); Conservatives: $1,261,092 ($890,177); CCF: $219,434 ($159,149); Social Credit: $141,796 ($82,203); Communists $4,531 ($41,980).

GOOD ROADS ASSOCIATION

Canadian Good Roads Association has elected Hon. Hugh John Flemming, premier and minister of public works for New Brunswick, president; chairmen of committees: N. H. Bell, operating; N. W. McLeod, technical information; J. H. L. Ross, national membership; C. B. Cooper, advisory committee on public information.

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by WILL DURANT

This magnificent book is a self-contained study of the Reformation as well as continuation of Durant's memorable series of books. Illustrated with maps and nearly 50 photographs, it is a full 940 pages in length. $9.00

The fascinating story of three men and two kittens who crossed the Atlantic on a log raft

THE LOST ONE

by HENRI BEAUDOUT

This unusual tale of adventure is told directly from the log-book of the expedition and is magnificently illustrated with photographs taken on the voyage. $3.50.

A feast of enjoyable reading!

READING FOR PLEASURE

Chosen with Introduction and Comment By BENNETT CERF

In this superb anthology, the moving, the tender, the exciting, the nostalgic (and the humorous) are lavishly represented by the work of 65 authors. $5.95

do you know?

Why men think of a mistress when they see a convertible in a show window? Why your wife buys 35% more in the supermarket than she intends to? Why men take refuge by smoking cigars? These and thousands of other fascinating questions are answered in

by VANCE PACKARD THE HIDDEN PERSUADERS

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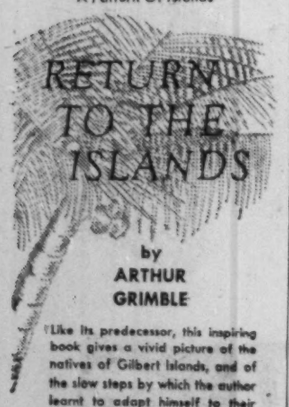
A fascinating sequel to his best-seller "A Pattern Of Islands"



by ARTHUR GRIMBLE

Like its predecessor, this inspiring book gives a vivid picture of the natives of Gilbert Islands, and of the slow steps by which the author learnt to adapt himself to their customs. $4.00

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THE CHRISTMAS THAT ALMOST WASN'T, by Ogden Nash; Little, Brown & Co. (Canada), Toronto; 63 pp.; $3.50.

"The spots on the leopard went rolling away
"And were captured for marbles by urchins at play.
"Great fires in the towns grew worser and worser;
"Flames put out the firemen instead of vice versa."

Such is the sad state of affairs in the land of Lullapat when good King Oldwin is dethroned by the "evil-minded Evilard." But not for long. For it becomes the purpose of young Nicholas Knock to set this situation to rights.

"There isn't much time for cogitation or logical ratiocination;
"No help in addition or subtraction; this is the moment of rapid action!
"Though I'm not too bright, I am not too dense,
"I've been called a fellow with great horse-sense.
"'That's it,' cried Nick, 'horse-sense, of course!'
"So he summoned it up and rode off on a horse."

In fairy tale tradition, our hero foils evil Evilard by summoning King Wencelaus the Warrior. King Oldwin is restored, the day is saved for Lullapat and Christmas and happiness reign.

This is delightful Nash, with quotable Nashisms. Nicholas Knock, for instance:

". . . was knowing and nimble; he had more common sense than you'd fit in a thimble.
"And Nicholas Knock had a Nicholas knack of seeing what happened in front of his back.
"So when Evilard's minions came squirming like eels
"All they caught of our Nick was a glimpse of his heels."

Illustrations by daughter Linell Nash are engaging and effective.

Here Are Best Sellers

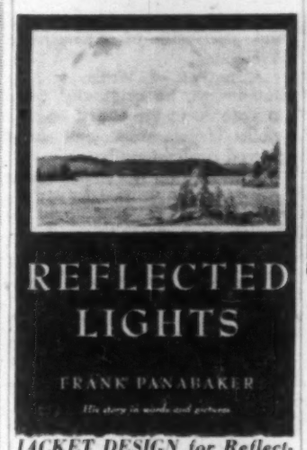
These books are the most popular on current lists. The price is given in brackets.

Fiction

By Love Possessed. Cozzens. ($5.75).
Rally Round the Flag, Boys! Shulman. ($4).
Atlas Shrugged. Rand. ($6.95).
Below the Salt. Costain. ($4.50).
On the Beach. Shute. ($4.50).
The World of Suzie Wong. Mason. ($3.50).
The Sound of Thunder. Caldwell. ($4.50).
Remember Me to God. Kaufman. ($5.95).
The Edge of Darkness. Chase. ($4.00).
Last Tales. Dinesen.
Those Without Shadows. Sagan. ($3.50).
No Down Payment. McPartland. ($3.95).
Compulsion. Levin. ($5).
When the Bough Breaks. Carney. ($4.50).
Letter from Peking. Buck. ($3.95).

General

Baruch: My Own Story. ($5.75).
The Hidden Persuaders. Packard. ($5).
The New Class. Djilas. ($4.70).
"Where Did You Go?" "Out." "What Did You Do?" "Nothing." Smith. ($3.50).
The Age of Revolution. Churchill. ($6.50).
Kids Say the Darnest Things! Linkletter. ($3.50).
The Reformation. Durant. ($9).
To Live Again. Marshall. ($4.75).
Nuclear Weapons and Foreign Policy. Kissinger. ($6).
San Francisco Bay. Gilliam. ($5).
The Day Christ Died. Bishop ($3.95).
Jubilee. Weeks and Flint. ($4.50).
Parkinson's Law. Parkinson. ($3.50).
Our Philadelphia. Brookhouser ($4.50).
Leftover Life to Kill. Thomas. ($3.75).
Dreamers of the American Dream. Holbrook. ($6.50).



JACKET DESIGN for Reflected Lights, by Ontario painter Frank Panabaker, A.R.C.A. (Ryerson, Toronto; 159 pp.; $5). Reproduced here are 24 of his paintings, half of them in color, amid reminiscences of an artist's life in Canada.

THE FAMILY BOOK OF FUN, edited by Helen Hoke; Doubleday, Toronto; 675 pp.; $4.50.

This is an anthology of stories, sketches, poems, quizzes, cartoons, jokes and the like, all designed for the family that likes to do things together (other than watching TV, that is).

As befits a family fun book, there are representative selections from the writings of such longtime family favorites as Canadian humorist Stephen Leacock, and Mark Twain. The list of authors also includes—among dozens of others — O. Henry, Damon Runyon, Clifton Fadiman, Emily Kimbrough, Booth Tarkington, Wolcott Gibbs (it is probably the first time those two have been linked so closely), Robert Thomas Allen, Bennett Cerf, Parke Cummings and Art Buchwald. Many of the best known magazine cartoonists are also represented.

A happy choice for Christmas, and for the long winter nights ahead, if there are children in the family.

LINELL NASH drew this illustration in Ogden Nash's The Christmas That Almost Wasn't.

ZOOMAR, by Ernie Kovacs; Doubleday, Toronto; 348 pp.; $4.50.

Television has often been blamed for taking people away from books. But in Zoomar, the trend is reversed as one of TV's brightest comedians offers an engaging novel about the "experts" who inhabit the world behind the picture tube.

Zoomar (it's the name of the lens that brings the picture close while the camera is far away) is the story of Tom Moore, an adman who chances to hit upon an original idea and consequently becomes a celebrity in network circles.

Ernie Kovacs' first novel will not disappoint those who know him as a TV entertainer. Like his work before the cameras, his book is rich with urbane wit and satire. It has the ring of authenticity, the feeling of truth.

An engrossing novel, Zoomar will keep its readers away from the picture-box until its last page.

PLEASE DON'T EAT THE DAISIES, by Jean Kerr; Doubleday, Toronto; 187 pp.; $3.

Jean Kerr is a wife (of drama critic Walter Kerr), a mother (of four boys) and a suburbanite (of Larchmont, N.Y.).

In this collection of witty pieces, she writes of her particular world. A sample:

"We are being very careful with our children. They'll never have to pay a psychiatrist $25 an hour to find out why we rejected them. We'll tell them why we rejected them. Because they're impossible, that's why."

Among the most brilliant and biting of the 15 pieces here are Toujours Tristesse, a parody based on Francoise Sagan, and Don Brown's Body, a platform reading as Mickey Spillane might have written it.

Another piece, sure to find a responsive chord in any suburbanite, is The Kerr-Hilton, a chronicle of home ownership.

LOUIS JOUVET, MAN OF THE THEATRE, by Bettina Liebowitz Knapp; Oxford University Press, Toronto; 333 pp.; $7.

Louis Jouvet, who died in 1951 at the age of 63, was one of the giants of the twentieth century theatre. He was best known in his native France, but was acclaimed everywhere as one of the outsfanding actors, directors and producers of the theatre world.

Mrs. Knapp, a member of the French Department at Columbia University, has done a scholarly yet entertaining biography of Jouvet, based largely on interviews with theatrical and literary people who knew him in Paris.

Included in the book are many photographs of Jouvet in costume for several plays for Molière, of whom he was the leading interpreter of our generation, and as the title character in Dr. Knock, one of the funniest comedies the theatre has to offer.

This biography will revive happy memories for those who have seen Jouvet on stage. Not, perhaps, as satisfying as seeing an old Jouvet movie—but then they are seldom to be seen.

THE BEST OF LEACOCK, edited by J. B. Priestley; McClelland & Stewart Ltd., Toronto; 464 pp.; $4.50.

Priestley has delved into 32 of Stephen Leacock's books—26 of them out of print—to put together this collection of the most sparkling pieces by the great Orillia humorist. They range from Literary Lapses of 1910 to the works of his last years.

"The best of his humor does something very difficult to do," says Priestley. "It expresses an essential Canadian quality. It is the humor of a nation that notoriously finds self-expression not at all easy."

Some of Leacock's best is now well out-of-date. But most of it is as timely, and as funny, as when it was written many years ago.

AND THEN THERE WAS LIGHT—The Discovery of the Universe, by Rudolf Thiel; McClelland & Stewart Ltd., Toronto; 415 pp.; $7.50.

What's out there?

That's been the question on the minds of men throughout the centuries, as they gazed into the night sky at the stars. This is the story of man's attempt to find the answer, from the astrologers of Babylon to the astrophysicists of today.

It is a story that will fascinate any reader who has any curiosity about his place in time and space. Thiel's book was a best seller in the original German, and should fare well in this translation by Richard and Clara Winston.

VOLTAIRE IN LOVE, by Nancy Mitford; Hamish Hamilton, Don Mills, Ont.; 288 pp.; $5.

As other people do, Voltaire fell in love. He was already famous when at 39, he met the 27-year-old Mme. du Chatelet. She was just then embarking on the work in physics which established her as one of the noted scientists of her era.

Their liaison—under the roof, and nose, of her husband—lasted 11 years. The story is chiefly concerned with those years, and presents a picture of a Voltaire hitherto almost unknown. Much of her material is based on letters discovered in 1938, and not previously published.

Illustrated with many pictures of contemporary people and places.

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Volume III of *A History of the English Speaking Peoples*. Here is the stirring age of the Great Revolutions, with many great men — Marlborough, Napoleon, Washington, Wellington — reliving the crucial moments of their glorious times. "A magnificent performance . . . in the vivid style, the telling phrase."—*Globe & Mail*, Toronto. $6.50

METALS AND MEN: The Story of Canadian Mining — by D. M. LeBourdais
From the days of the Cariboo Trail to the Blind River Development, this is an authoritative account of endeavour and achievement. With the accent on discovery and development, it is also the story of men whose names have become milestones of Canadian history. 8 pages in colour; maps, halftones, index. $8.50

THE CENTURY OF THE SURGEON — by Jurgen Thorwald
The story of the triumphs and miracles that mark the progress of surgery from its barbarous beginnings to modern times. "A remarkable book."—*Ottawa Journal*. "Spellbinding." — *Monetary Times* Illustrated. $6.50

STREET OF RICHES — by Gabrielle Roy
"—an exceptional contribution to Canadian writing."—*Toronto Star*. The beautiful re-creating of the childhood of a sensitive young girl growing to adolescence in a Canadian town. Poignant, moving, it is a new triumph for Canada's greatest novelist. .. $4.50

THE CITY OF LIBERTINES — by F. G. Hardy
". . . an authentic story of an absorbing era."—*Financial Post*. Terse, forceful, uninhibited, this is the story of the poet Catullus who lived one of the great love affairs of all time, and of the tumult and intrigue of Julius Caesar's Rome. $4.95

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Second Thoughts on the Dead Sea Scrolls by F. F. Bruce, M.A. Professor of Biblical History and Literature in the University of Sheffield.
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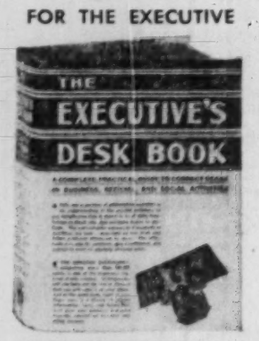

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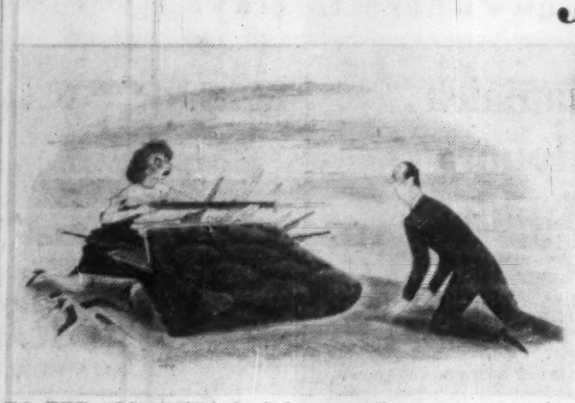

***TO THE ADVANCING** bachelor, a girl's purse is a major obstacle. It is full of combs, lipsticks and other items that preoccupy her, and it should be kept well out of her reach. One of R. Taylor's cartoons from The Little Black Book, a manual for bachelors.*

THE LITTLE BLACK BOOK, by Cadwallader and Nudnick; Doubleday, Toronto; 138 pp.; $3.

The book stores shelves are lined with how-to books for married couples, and for young ladies willing to commit matrimony. Here, at long last, is a book for that neglected man, the bachelor.

The two authors are known in real life as Paul Clemens and Pat Nerney. Their qualifications? They were such successful bachelors that they married, respectively, Hollywood's Eleanor Parker and Jane Powell.

The two experts on the subject of pursuit and conquest here draw on their own experience and that of other veterans of the Battle of the Sexes, to provide the less experienced with the basic facts needed to achieve a satisfactory adjustment — without quite getting married.

Their advice covers the entire field — how to meet girls, how to get one to your apartment, what line to hand her, and finally how to get off the hook.

This manual for bachelors, written in a fresh and breezy style, will amuse ladies and former bachelors as well. It is generously illustrated with R. Taylor's cartoons.

Page numbers start at 101 because, as the authors say, "we have spent so much time in hotels."

NORTH AMERICAN HEAD HUNTING, by Grancel Fitz; Oxford University Press, Toronto; 188 pp.; $5.50.

An absorbing collection of autobiographical adventure stories based on the author's experiences through three decades, more than 40 trips, during which he claims to have become the first man in history to hunt all of the 24 different classes of North American big game animals that can be legally taken.

TURKESTAN ALIVE, by Basil Davidson; Clarke, Irwin & Co. Ltd., Toronto; 255 pp.; $5.

It must be almost impossible to write a dull book about Chinese Central Asia. It is one of the few inhabited regions of the world about which almost nothing is known.

Basil Davidson is an experienced traveller with a great gift for factual reporting. He is both erudite and readable. His flair for finding stories of world significance has already led to books on South Africa, China and Germany.

This is the story of his journey through such places as the Takla Makan Desert and the Mountains of Heaven. He met scores of people and had many strange experiences. The book is illustrated with his own photographs as well as a detailed map.

FORD: EXPANSION AND CHALLENGE 1915-1933, by Allan Nevins and Frank Ernest Hill; S. J. Reginald Saunders and Co., Toronto; 714 pp.; $10.75.

A complex of men and events: The story of a mighty organization and its many brilliant men, a number of whom were to leave Henry Ford and in some instances work against him.

The story of Ford himself, of how he acquired complete control of a $500-million corporation, of the isolation imposed upon him by absolute power, of the chief men who served under his autocratic rule.

SIXTEEN YEARS IN THE INDIAN COUNTRY, edited by W. Kaye Lamb; Macmillan Co. of Canada Ltd., Toronto; 277 pp.; $5.

Here is the authentic text of the journal of Daniel Williams Harmon, previously only available in corrupt versions. This edition is one of the series of Pioneer Books, devoted to early life in Canada.

The journal of Harmon, who was a partner in the North West Company, covers the years 1800 to 1819 and the area of latitude 47 to 58. It is a fascinating account of the Indians and the animals of the region.

Especially valuable is a 20-page introduction written by editor, W. Kaye Lamb. He is president of the Champlain Society apart from being the first librarian of the National Library in Ottawa.

ODDS AGAINST TOMORROW, by William P. McGivern; Dodd, Mead & Co. (Canada) Ltd., Toronto; 274 pp.; $4.

Two men, strangers but inevitable enemies, meet in the planning of a crime. A bank is broken into, a man is killed, they go into hiding together. How do they trust one another?

Canada's Favorite Books

During 1957, readers asked for these books most frequently at Toronto Public Libraries:

FICTION

Monica Dickens, The Angel in the Corner.
Francoise Sagan, A Certain Smile.
Jaul I. Wellman, Jericho's Daughters.
Nicholas Monsarrat, The Tribe That Lost its Head.
Adele Wiseman, The Sacrifice.
Simone De Beauvoir, The Mandarins.
Guy Endore, King of Paris.
J. P. Marquand, Stopover: Tokyo.
Elizabeth Byrd, Immortal Queen.
Margery Sharp, The Eye of Love.
Mika Waltari, The Etruscan.
Alistair MacLean, The Guns of Navarone.
Richard Powell, The Philadelphian.
Albert Camus, The Fall.
Brian Moore, The Feast of Lupercal.
John Masters, Far, Far the Mountain Peak.
Rebecca West, The Fountain Overflows.
Elswyth Thane, Homing.
Sybille Bedford, A Legacy.
J. G. Cozzens, By Love Possessed.
Thomas B. Costain, Below the Salt.
Nevil Shute, On the Beach.
Richard Mason, The World of Suzie Wong.
Meyer Levin, Compulsion.
Pearl Buck, Letter from Peking.
Gerald Green, The Last Angry Man.
Gabrielle Roy, Street of Riches.
David Walker, Sandy was a Soldier's Boy.
Kathryn Hulme, The Nun's Story.
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F. P. Keyes, The Blue Camellia.
Evelyn Waugh, The Ordeal of Gilbert Pinfold.
E. M. Remarque, The Black Obelisk.
Theodore Plievier, Berlin.
Daphne Du Maurier, The Scapegoat.
Frank Slaughter, Sword and Scalpel.
Joyce Marshall, Lovers and Strangers.
John Braine, Room at the Top.

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Malcolm MacDonald, Borneo People.
Winston Churchill, The New World, v. 2.
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Constance Tomkinson, Les Girls.
Fred Allen, Much Ado About Me.
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Gerald Pawle, The Secret War 1939-45.
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Virginia Cowles, Edward VII and His Circle.
Farley Mowat, The Dog Who Wouldn't Be.
Diana Barrymore, Too much, Too Soon.
Milovan Djilas, The New Class.
Caitlin Thomas, Leftover Life to Kill.
B. M. Baruch, Baruch, My Own Story.
Marion Hilliard, A Woman Doctor Looks at Love and Life.
Philip Wylie, The Innocent Ambassadors.
V. O. Packard, The Hidden Persuaders.
Eddie Cantor, Take My Life.
Sir Arthur Bryant, The Turn of the Tide, 1939-43.
Fitzroy Maclean, Disputed Barricade.
Ellin Berlin, Silver Platter.
Hanse Selye, The Stress of Life.
Princess Marie Louise, My Memories of Six Reigns.
Peter Fleming, Invasion 1940.
W. H. Whyte, The Organization Man.
J. A. Bishop, The Day Christ Died.
D. F. Whitehead, The FBI Story.
W. M. Kilbourn, The Firebrand.

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INDIANS ON HORSEBACK, by Gustaf Bolinder; McClelland & Stewart Ltd., Toronto; 189 pp.; $5.

The Indians that this book is about inhabit the Guajira Peninsula, the northern tip of Colombia and Venezuela and on the south shore of the Caribbean.

They are the only tribes of mounted nomads still living in the Americas and they are a strong and virile people with deep-rooted customs and a jealous respect for their independence.

Gustaf Bolinder is a Swedish anthropologist, author of an earlier book on some of the tribes of Africa. He writes with a fluent style that makes his narrative immensely readable.

FROM A CHINESE CITY, by Gontran de Poncins; Doubleday, Toronto; 256 pp.; $5.75.

The Chinese city of the title is Cholon in Indo-China, where the French author (who speaks Chinese) lived in 1955. Cholon was a pleasure city — before the Communist uprising in that year — where the quickly vanishing customs of ancient China were still practised.

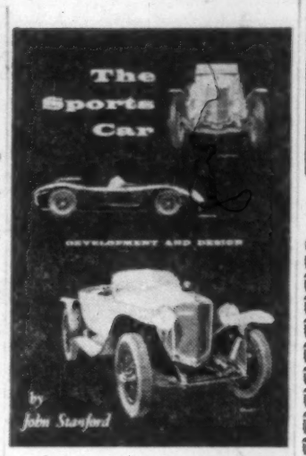
This is not a broad picture of East-West relationships, but rather an intimate picture of individual men and women, in their everyday surroundings — their homes, the theatre, the colorful and noisy streets.

The author has added his own drawings, 42 pencil sketches that evoke the mood of a crowded city in the last days of a peaceful era.

FRASER'S CANADIAN TEXTILE, APPAREL & VARIETY GOODS DIRECTORY; Fraser's Trade Directories, Montreal; 396 pp.; $4.

The 1958 edition of this directory again brings up to date its comprehensive listing of industry names. They are grouped by trade or brand names, by product classification, by manufacturer, etc. Firms are designated as manufacturers, wholesalers or agents.

***THIS UNIDENTIFIABLE** something, who disrupts a household by such means as sleeping in the soup tureen, is the hero of a little book of 15 engaging cartoons and couplets. The Doubtful Guest by Edward Gorey; Doubleday; $2.25.*



JACKET design for The Sports Car is by John Dunscombe.

THE SPORTS CAR, by John Stanford; Clarke, Irwin & Co. Ltd., Toronto; 224 pp.; $6.

Sports cars at first sight appear to be too fast for safety and too expensive in relation to their comfort and carrying capacity.

This book will do much to dispel these impressions.

Even if one hasn't the least inclination to drive a sports car it is worth reading simply because it unfolds one of the most fascinating and inspiring chapters in the history of automobile manufacture.

The sports car has always captured the imagination of engineers because it requires so little compromise in its design. It emphasizes only two features: Speed and roadability.

The quest for these two characteristics has undoubtedly done more to improve automobile design than any other influence.

This book describes the quest, in sober and interesting style. And in doing so, it shows how it is possible for some automobile makers to refuse to sell their cars to buyers who they do not think deserve them. Some such manufacturers are still in business today—and thriving.

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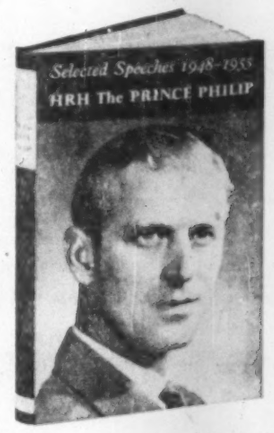

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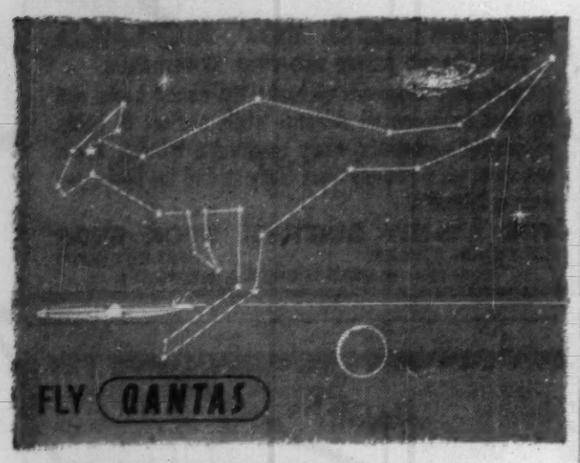

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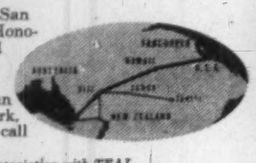

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OLD AND NEW vie for the eye in Madrid. with its ornate facade, and the spanking new

The 200-year-old Pontifical Church (left), Espana Building enliven downtown Madrid.

Madrid is Stimulating

By DONALD R. GORDON

MADRID—Brilliant sunshine.
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The color and pomp of a Bread and Circuses dictatorship.
Pulse-tingling Flamenco dancing.
Breathtaking handicrafts and dark-eyed senoritas.
They're yours for the watching in Spain.
It's worth a visit.

On the money side, you'll be able to get an excellent return for each dollar invested.

And as for memories, you'll get a stimulating store of conversation for months afterward.

You can fly direct, Toronto to Madrid, for $605.60 tourist return via **Canadian Pacific Airlines.**

If you prefer a stop over, **TCA** will take you to London, **BEA** carrying on to Madrid for the same fare, unlimited stopover.

When you touch down in Spain, relax.

The sinister men taking pictures are just a variation of those sidewalk photographers at home and the dozens of armed officials are more bored than suspicious.

A tip: Watch where you get your airline bus ticket. Several booths sell different ones, and you could get stuck with the wrong one.

Madrid is a good place to start your visit.

- **It will give** you time to gradually acclimatize to the food cooked in oil.
- **It will make the transition** from Canadian accommodation and habits easier.
- **It places you smack** in the heart of Spain well situated for forays in all directions.

For a hotel, there's good variety.

You can get luxury for up to $20-plus a day.

You can get by nicely for about $4-$5 with breakfast.

Going down the luxury scale the prices slip about 50c to $1 for each category.

Usual advice is to by-pass your hotel for meals.

Excellent cuisine with tasty Spanish flavor is offered by dozens of restaurants in Madrid for about $1 up.

To start, you'd be wise to go easy on the oil cooking, asking for some of the excellent fresh shrimps, top notch chicken dishes or even a steak (grilled).

For a treat, make at least one meal of a Paella Valenciana, a mouth watering assortment of shell fish (clams, mussels, prawns) and chicken, served with the saffron rice and red peppers which give it its special Spanish tang.

Top it off with some Vina Sole, a good Spanish white wine, and you'll be dining like a gourmet.

See the Prado

Whether you're an art lover or merely a curious sightseer the Prado must be at the top of your list.

Considered by many connoisseurs to be the finest gallery in the world, it contains room upon room of masterpieces.

As for churches, the ones to see are:

- The 18th century San Francisco el Grande, particularly rich in sculptures, frescoes and paintings.
- The Hermitage of San Antonio de la Florida (Goya painted the murals in the dome).

If you're a sports fan, Madrid has the second largest soccer stadium in the world which holds 120,000 people.

Its team, Real Madrid, has an impressive collection of international titles.

The bullfighting season usually lasts from April to October.

Whatever you may call it—art form, sport or cruelty—the Plaza de Toros on the edge of town is generally filled to capacity (30,000 spectators) when there is a corrida.

Like most capital cities, Madrid has its flea market, called El Rastro—and open only on Sunday mornings.

You're not likely to pick up any startling bargains, but if you've a discerning eye, and the time to prowl, you may chance upon a curio that's worth having.

Visit the official handicraft exhibition of Spain, **Mercado de Artesania Espanola,** where you will find an attractive array of goods. Prices are reasonable.

Things to buy are leather and suede goods. They're inexpensive and first rate quality.

For example, a suede jacket costs $30-$44, gloves are about $2 and handbags from $6 to $12.

If you're hunting for, say, Goya prints, or old wood carvings, you'll find a number of small antique shops off the Calle de San Jeronimo and Calle Alcala—two of the main shopping centres.

Night Life

Night life?

It's not Les Girls—no burlesque and no striptease—but there are plenty of taverns, particularly in the old quarter, where you can see flamenco dancing and listen to cante hondo, the strange plaintive singing with guitar accompaniment.

Faster Planes For American

American Airlines will have better, faster planes in operation between Toronto and New York in about 18 months.

On order are 35 **Lockheed** Electras, some of which are scheduled to enter the Canadian service June 1959.

Also on order are 30 **Boeing** 707s for longer routes over the U. S. starting about April 1959.

In the planning stage for future services over the airline's far-flung North American network, is the purchase of approximately 35 more Electras, 30 medium-sized pure jets and a turbo-prop fleet of air freighters.

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Jamaica Honors Builder

The recent appointment of a leading resort-empire-builder to Jamaica's legislative council emphasizes the importance to the island's economy of the hotel industry and the great rush of foreign investment it has attracted in recent years.

John Pringle, 31, who has played an important part in bringing $12 million in Canadian, U. S. and U. K. capital to the Montego Bay area, is the youngest member in the history of the Jamaican legislature.

Among the six resort properties Mr. Pringle has played a part in starting is **Casa Blanca Properties Ltd.**, a 60% Canadian, 40% U. S. syndicate.

Canadian members of this group include M. J. Boylen, Toronto financier; John C. Udd, president, **Strategic Materials Ltd.**, and major Canadian hotel operator; John G. McConnell, president, **Montreal Star;** H. J. O'Connell, general contractor; R. P. Mills, mining executive; Herbert Corbett, mining financier; Allan McMartin, industrialist.

The first phase of development of this property will be climaxed with the Feb. 1 opening of the 100-room **Casa Montego Hotel.**

The second stage will be a 300-room hotel to begin construction next spring.

Round Hill, one of Jamaica's most famous luxury hotels is another Pringle enterprise. James Duncan, chairman of **Ontario Hydro,** is a director.

Canadians are among leading investors in hotel building all over the island.

A billion-dollar industrial resort boom is predicted by Mr. Pringle for the West Indian Federation within the next five years — much of it in Jamaica.

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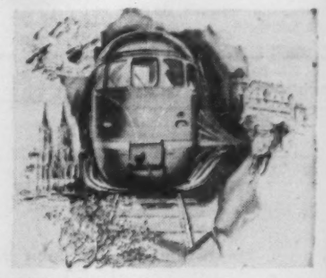

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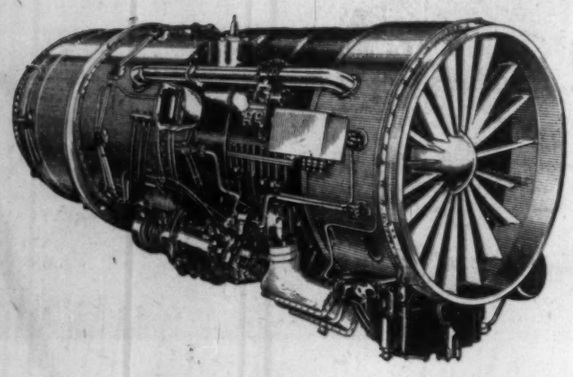

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U. K. Industry:

New, Tooled and Buzzing

By R. A. McEACHERN

EDINBURGH (Staff)—As the Canadian Trade Mission to the U. K. sails into its second week of factory visiting, lunching, partying and banqueting, it is clear that this is rather turning into a contest of strength and endurance.

The plants we have seen are new, freshly tooled and buzzing with activity.

The U. K. businessmen we have seen — hundreds of them — are as peppery a group of hard-driving executives as I have ever seen.

The U. S. image of the British businessman as a stodgy, easy-going "Col. Blimp" just isn't anywhere near the truth.

If the U. K. executive feels persecuted by the tax system, he hasn't been moaning about it to the visitors.

Nor is he ready to talk about politics and the possibility of the return of a Socialist government.

One of them told me, on this point: "We've somehow survived quite a few things."

* * *

At Bristol our group visited **Bristol Aeroplane Co.**, a dramatic group of factories with about 30,000 employees (50,000 if you include related companies).

Currently Bristol is building Britannias for **Canadian Pacific Airlines** — a very large, very fast, very long range passenger craft.

It has done the London to Vancouver polar route non-stop.

The company is also doing guided missiles for the RAF (the Bloodhound), helicopters and "just as a little sideline" builds a very fast, high-quality motor car.

The Britannia is pushed by enormous turbo-prop engines (the type we know on the Viscount). It can do London to Vancouver in 14 hours. It can take 133 passengers (less with "first class" seating) and only 32 of the passengers are needed to pay plane operating costs. It can use airfields adequate for the familiar Viscounts.

CPA gets delivery of its first Britannia about a month from now and five more by April.

As with every new airplane, the Britannia has had some trouble — icing. One of the Bristol men told me the particular icing problem occurs only under rare tropical conditions — not under cold and polar conditions.

One of the craft is now off in the tropics hunting for a monsoon in which it can test its new anti-icing equipment.

Many of the U. K. executives are frequently in Canada selling airplanes and tending their investments — aero engine overhaul companies in Vancouver and Montreal, and **Bristol Aircraft (Western) Ltd.**, formerly operated by **Macdonald Bros. Aircraft Ltd.** in Winnipeg.

Sir W. Reginald Verdon-Smith, chairman and joint managing director of Bristol, is a handsome movie-star type in appearance.

The record of his company and especially its strength and growth in the frantically competitive aircraft world suggests that a lot of good brains are at work around Bristol Aeroplane.

* * *

Steel Co. of Wales at Margam will quite probably prove to have been the most spectacular single industrial operation our group will see in Britain — and actually it is the U. K.'s industrial show place.

For the really enormous job of re-building and rejuvenation that the U. K. needed after the war, new steel capacity of enormous proportions was required urgently.

So the company was organized 10 years ago.

Present output is 2.4 million tons of ingot and in addition at two other nearby plants 750,000 tons of tinplate. (Canada's Stelco at Hamilton: 2.3 million tons steel ingots.)

Starting a new steel plant from scratch has many advantages.

Not only would the total planning be logical and everything as modern as could be but it was possible to build a completely fresh executive organization. No old men with seniority had to be "looked after."

And as a positive policy the Margam people built a team of young men only.

Many of them came to big jobs here in their thirties, and early forties.

The steel plant is 4½ miles long; we traveled half the distance in a car, walked two miles down the straight enormous cavern of the continuous stripmill.

Additional capacity is currently going in — £50 million worth.

The steel company at Margam has in its short life been nationalized once. And if the Socialists win the next election it will again.

How, actually, did nationalization affect the operation?

One of the company's financial men gave me the answer.

The company was formed 1947. It was nationalized February 1951.

In most industries which were nationalized the government took over the whole company, lock, stock and barrel.

In the steel industry, the government took over only the shares of the company.

Owners of the shares were paid off at the open market price as of the date of nationalization.

Because of the threat thereof the prices were naturally depressed at the time people were paid off.

In the case of the company at Margam, I was told, there was no interference whatsoever with the management of the operation.

"We just went on the same as before — working like hell. We continued to pay the same dividend which, of course, went to the government."

In 1953 de-nationalization arrived.

The great unscrambling operation involved finding enough private individuals with enough money who of their own free will wanted to invest in steel shares.

So this process went slowly.

The Margam people only in March this year saw 40 million of their shares offered to the public.

R. A. McEachern, FP's editor, is currently in the U. K. with the Canadian Trade Mission. Here is the second of his special reports on the mission and outlook.

The issue went well and the yield at current market is between 7 and 8%.

ISRHA (Iron and Steel Realization and Holding Agency) still holds £65 million of debentures in the Margam enterprise.

These will at some time be offered to the public when it is believed that the market will digest the issue.

* * *

Nearby Margam is Pontypool, the home of **British Nylon Spinners.**

Here the air hums with the beautiful magic that turns coal and air into nylon thread. As with all synthetic plants, the place is gorgeous.

This is one of the most famous examples of dispersion of industry policy adopted some years ago for so-called depressed areas like South Wales, Tyneside, Jarrow and West Cumberland.

Through the Welsh countryside my guide frequently pointed to bright brand new factories set out in the fields — most of them smallish light industry.

British Nylon — which is doing business with Canada in fish nets — is perhaps the most spectacularly successful of these **industries plopped into rural areas** — where before people had nothing much to do but try to feed themselves out of a little garden.

British Nylon is a joint venture of **Imperial Chemical Industries** and **Courtaulds.**

* * *

Another day took us to Coventry, the heart of the British motor car industry — **Sir William Rootes** enterprises, **Jaguar, Rover, Standard Motors, Lucas** and more.

Again we were shown a dazzling array of glistening new factories.

And the motor car men we met were saying that for their business, there is still only one direction—up.

Coventry, of course, is the place that got such a devastating bombing. A lot of it is obviously new.

But I would certainly agree with some local people I talked to that there was too much repairing of the bomb damage, not nearly enough drastic rebuilding and re-planning the heart of the city.

"We missed a wonderful opportunity for making this traffic-jammed mediaeval city into a glorious modern city," one told me. "But it's too late now."

One excellent and very dramatic thing Coventry is doing—much to the alarm of some citizens — is building a breath-taking new cathedral in the manner modern.

The old cathedral was completely gutted. The tower stands, but of the cathedral itself only the walls.

Instead of trying the impossible job of rebuilding, they will five years from now have approached completion of one of the largest and most dramatic ecclesiastical structures on earth.

* * *

The Canadians are footsore, weary and greatly overstuffed with magnificently served English banquets, served in historic halls of great splendor.

No Briton would admit this publicly. But the truth is that when the Canadians announced their intention of sending this trade mission, the British were slightly cool.

The new Canadian government had after all a month or two earlier turned down — without even examining it — the U. K. "free trade area" program.

However, the U. K. politely acquiesced in the Canadian trade mission scheme.

Having done so, they quietly went to work to set up a dazzling and mankilling program that would cram the Canadians full to the epiglottis with the wonders of the British industrial revival.

"By golly we'll show 'em" is clearly the guiding principle of our hosts here.

They're doing it.

Pleasant Plants 'Go Home'

MARGAM, Wales (Staff) — Neat-as-a-pin plant housekeeping has characterized every place the Canadian Trade Mission has seen.

Certainly for a steel plant, the giant mill here was quite remarkable in this respect.

One chief of a big U. K. business had an interesting explanation for this policy which, he says, is a major campaign in British industry.

"It's good business to be clean and tidy, but in Britain we have special reasons for it.

"By setting high standards of comfort and cleanliness and human convenience in the plants we know our people will carry these standards back to their homes.

"Before the war many British workers had a very low standard of domestic comfort.

"Often if they got a bath tub they would keep the coal in it, not being in the habit of bathing.

"Their interest in household furnishings, curtains and other domestic amenities was frequently extremely small.

"Then came the war and thousands of homes were blasted.

"The factories found they had to establish canteens for feeding people and looking after them in many ways.

"Under the dreadful conditions which existed, the factory and the office was the only decent and tolerable part of a man or woman's day.

"And so we have merely continued and expanded our policy of those war years.

"By making our factories really pleasant places, by setting the very best example of good housekeeping and modernity and human comfort, we are transforming the goals people have for their own home life."

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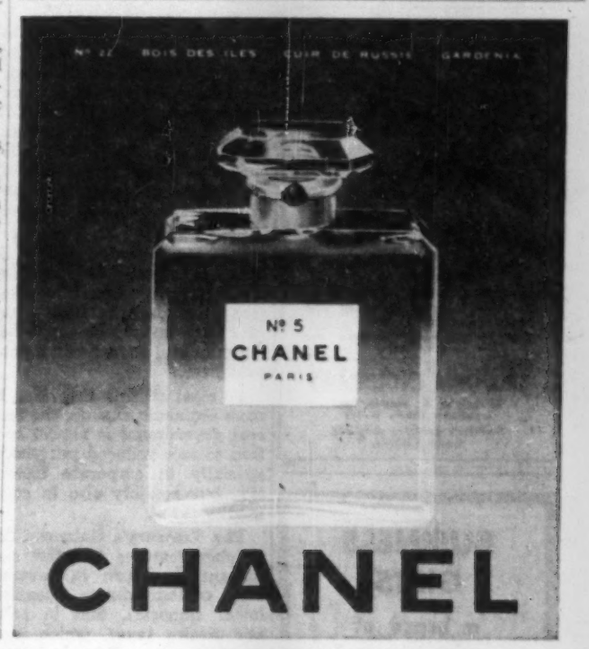

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Ottawa Spending Up $300 Million

To meet accounts, promises Tories will dig deep . . .

OTTAWA (Staff) — The Dominion government will not have to resort to deficit financing before the end of the present financial year on March 31, 1958. But after that it is almost certain to plunge into debt for current expenditures, according to a careful analysis of government accounts and promises, made by **FP**.

Increased annual expenditures of nearly $300 million have already been incurred (see accompanying table); tax cuts have still to come; so has the promised "new deal" for the provinces.

To meet all this, according to most economic experts, the federal government is almost certain to face reduced tax yields, specially in corporate income tax, but possibly also in commodity taxes.

The Treasury's statement for October features the first significant downturn in revenue from customs duties (meaning lower imports), and in sales and excise taxes, which suggests lagging domestic purchases.

The new Finance Minister, Donald Fleming, will be saved from a deficit in the current year by the surplus he inherited from Walter Harris.

In his pre-election budget Mr. Harris did not want to give an exaggerated idea of the tax reductions he might have made if he had not been worrying about inflation.

So he said he expected a surplus on the year of only $152 million.

But this resulted from including in his expenditures $200 million for purposes not usually considered normal annual spending. $100 million was the once-for-all grant to the Canada Council, which came entirely out of this year's revenues; and two sums of $50 million were to go out of this year's tax take to the two old favorites — the actuarial deficiency in the Superannuation Fund and the reserve against possible losses on active assets.

$252 Million Surplus

Taking these two out, the year's excess of revenues over expenditures, as budgeted in March, was nearly $352 million (**FP**, March 23). Mr. Fleming cannot recall the $100 million for Canada Council; but he has $252 millions of surplus, as estimated by his predecessor.

Until quite late this fall, also, Mr. Fleming was getting full benefit of tax yields even higher than Mr. Harris has foreseen. From now on, they will drop off. But on the year as a whole revenue will probably be higher than the $5,170 million estimated by Mr. Harris.

Expenditure will be higher, too, as a result of the new government's various spending programs. But none of them operate for as much as half the year; and the surplus left at March 31 will depend mainly on the size of the coming tax cuts.

Many of the Conservative government's payments do not come out of tax revenues at all. It has made use of the device known as "loans and advances." This has the effect of distributing spending money without any equivalent revenue, by calling it an "active asset" — a loan to be repaid at some future date.

The problem with these loans is merely to provide enough cash; and in a pinch this can always be done by borrowing, or adding to the government's debt. So far this hasn't been necessary, and it should not be necessary so long as the budgetary revenues and expenditures are leaving a surplus.

But the list of new "advances" is growing, (see table); and the government is by no means flush with cash. At the end of October its current account cash balance was only $126 million, compared with $228 million at the same point last year.

Moreover, the Securities Investment Account, where the government invests its spare funds, was almost empty. Last year it had $164 million earning interest.

Loan Account

Yet in loan account, as much as $150 million will have to be spent by March 31 for Central Mortgage & Housing Corporation to implement the direct lending program on new houses. That compares with CMHC repayments last year of about $4 million.

In October the government had to advance $2 million net to CMHC on approved new loans falling due; and that was only the beginning. From November on, these will increase very rapidly.

The main source of extra cash in sight for the federal treasury is the new issue of Canada Savings Bonds. Total sales are now sure to exceed $1,000 million, which is considerably higher than any previous post-war issue.

But it is too early to know how much of this represents new cash. The higher coupon attached to this year's CSB issue was an invitation to convert from earlier issues. If these conversions are noticeably higher than in previous years, the total cash gain to the government may be disappointing.

Last year, when the main sales campaign on CSB brought in better than $800 million, the cash gain to the government on the year was only half that.

If the net effect of this year's CSB issue is to produce as much as $500 million in new cash, the government will be highly satisfied.

New Spending Commitments

Here is an estimate of what it will cost in a full 12 months period (1958-59) to fulfill the commitments already undertaken by the Conservative Governments —

	$ Millions
Increase in Old Age Security pensions, and associated benefits for old age assistance, blind, veterans, etc.	110
Increase in civil service pay, which started May 1, 1957, with approval of former Liberal Government and incoming Conservative Government	110
Grants to Atlantic Provinces	25-30
Unemployment Assistance. By abolishing the proviso restricting federal contributions to any excess of people on relief over 0.45% of the population, the Government has made it more likely that Ontario (and possibly other provinces) will participate. If all of them were going to participate anyway, the cost would have been nearly $12 m. The Harris estimates provided only $5 m. under this heading for the present year. Total cost in the coming year on the new basis would be $25 m. if all provinces were in. On the likeliest assumption — i.e. all in but Quebec — extra cost in the '58-59 fiscal year will be	20
Health Insurance. By agreeing to advance the date of the promised federal contributions to provincial health insurance plans, the Dominion Government has exposed itself to additional claims of about $4 m. a month. Assuming that the scheme cannot start until at least July 1 this year, the extra cost	24
Subvention for Maritime coal to serve thermal electric plants in the Maritimes	1½-2
TOTAL	$294 m. or $300 m.

New Loan Commitments

	1957-58 $ Millions
Housing: Raise NHA ceiling from $250-$400 millions, and extend sphere of direct mortgage lending with lower down payments	150
N.B. Beechwood Dam	30
Other Atlantic power projects:	?
South Saskatchewan Dam	?
Other "development projects"	?
Cash advances on grain stored on the farm	?
Unemployment Insurance (seasonal benefits, extension (by two months). Covered now from U.I. Fund, with risk of future contributions to restore its soundness	?
TOTAL, perhaps	$300 m.

The Budget Record

Year	Budget forecast. Surplus or deficit	Result at year end	Net debt of Canada at year end
1951	plus 30	plus 248	11,185
1952	plus 9	plus 23½	11,162
1953	plus 11	plus 46	11,116
1954	plus 4	minus 152	11,263
1955	minus 160	minus 33	11,280
1956	plus 113	plus 258	11,008
1957	plus 152	?	?

ANNOUNCEMENT

WM. D. SMALL

The Bank of Montreal recently announced the appointment of William D. Small, assistant manager of securities department, to the post of assistant superintendent in the same department.

Mr. Small has been with the securities department at the B of M's head office in Montreal, since 1948. He became assistant manager in 1954.

A commerce graduate of Queens University, Mr. Small joined the B of M at Picton, Ont., in 1938. After wartime service he returned to Picton, and in 1948 transferred to the head office in Montreal.

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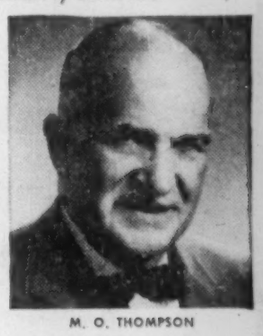

M. O. THOMPSON

Appointment of R. L. Broad as Vice-President (Engineering and Development), H. L. Wyatt as Vice-President (Traffic) and M. O. Thompson as President of Cargo Dockers Limited, a wholly-owned subsidiary, is announced by Ian M. MacLaren, President of the Company.
The Rochester & Pittburgh Coal Co. (Canada) Limited, with main offices at Toronto, Montreal and Port Colborne, distributes its products across Eastern Canada by direct rail shipment from mines, and throughout the Great Lakes System by the use of extensive dock facilities.

ANNOUNCEMENT

B-A APPOINTMENT

C. W. BARBER

A. E. Osborough, General Manager of Marketing of The British American Oil Company Limited, has announced the appointment of C. W. (Ches.) Barber as the Company's Government Representative, with headquarters in the Commonwealth Building, Ottawa.

Mr. Barber joined B-A over 35 years ago and has had a particularly wide experience in all phases of petroleum marketing. He is a veteran of both world wars.

In his new position, Mr. Barker will service all departments of the Government and will act as liaison with the Company's head office in Toronto.

Gremlins

The gremlins have been at work.

In its advertisement on p. 74 of the Oil and Gas Feature Report, **Lucey Supply Co.** asks the question: "Do They Buy from Canadians?"

And in the next line, it says: "the answer is yes."

Unfortunately, the gremlins put a question mark after the "yes," and some copies were printed before the error was caught and the question mark removed.

As Lucey says: "The answer is definitely yes — no question about it."

Finance Council Elects Officers

Federated Council of Sales Finance Companies have elected the following officers for 1958:

President — Roland Therien, president, **Laurentide Acceptance Corp.**

Vice-president — C. S. Jensen, executive vice-president, **Canadian Acceptance Corp.**

Secretary — P. J. Brown, solicitor, **Industrial Acceptance Corp.**

Directors include: H. F. Clarke, **Consolidated Finance Co.**; J. R. Croft, **Traders Finance Corp.**; J. H. Ranahan, Industrial Acceptance Corp.; W. J. Hobson, **Colonial Finance Corp.**; W. J. Carey, Traders Finance Corp.

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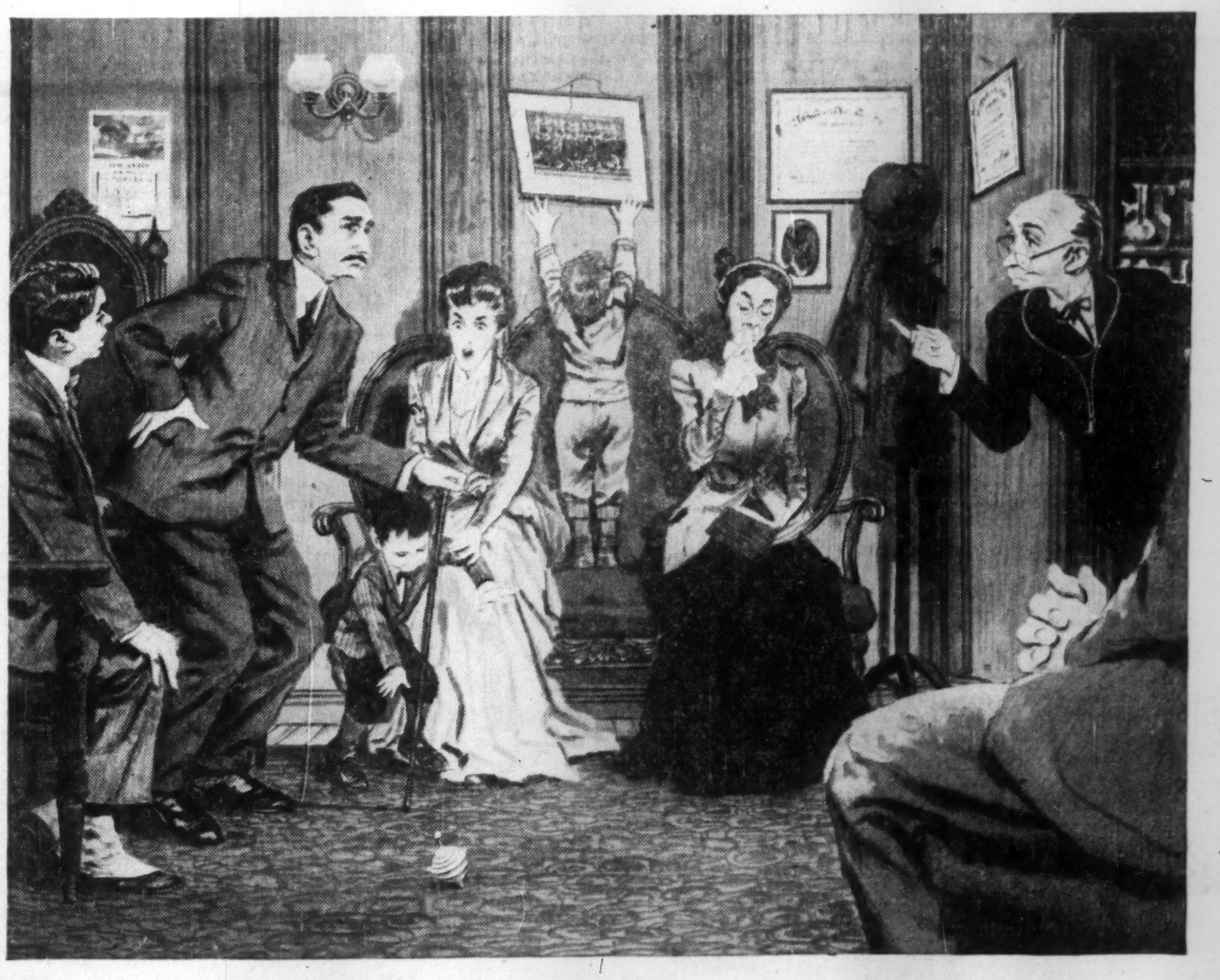


All Doc's Patients had one thing in common

Regardless of their ailment the doctor's patients in the early 1900's all had one thing in common—the discomfort of sitting on hard, lumpy, overstuffed furniture.

Now, thanks to the research chemist and synthetic rubber latex, everyone can enjoy the luxury of comfortable upholstered furniture. The uniformity of foam rubber permits manufacturers to make restful furniture that holds its shape endlessly and retains its built-in resilience.

You'll find foam rubber everywhere. Not only in the doctor's waiting room and in theatre, airplane and automobile seats, but in your own home, in foam rubber mattresses, pillows and upholstered living room furniture. Comfortable furniture is another example of how synthetic rubber helps make life easier and more enjoyable.

For practically every home and industrial rubber product . . . *synthetic rubber is better— that's why half of all new rubber used in Canada today is . . .*

POLYSAR
POLYMER CORPORATION LIMITED
SARNIA, CANADA

Second Annual Report

Beaver Club's Performance Betters the General Market

On Oct. 31, 1957, the Beaver Club completed its second year of operation.

When the fund began stock prices were at the level of 245 as measured by the Dominion Bureau of Statistics index of 95 common stocks. Subsequent swings in the market found us making our monthly purchases at such levels as 292 in July 1956, 248 in November 1956, 290 in May 1957, and as of our year ending Oct. 31 the index had fallen to 217.

By that date the value of each dollar invested (including reinvestment of dividends) had fallen to 93c. Members may derive some consolation from the fact that, had the same amounts of money been invested on the same dates in stocks showing average performance, as measured by DBS index, the value of the dollars invested in the club would have fallen to 82c.

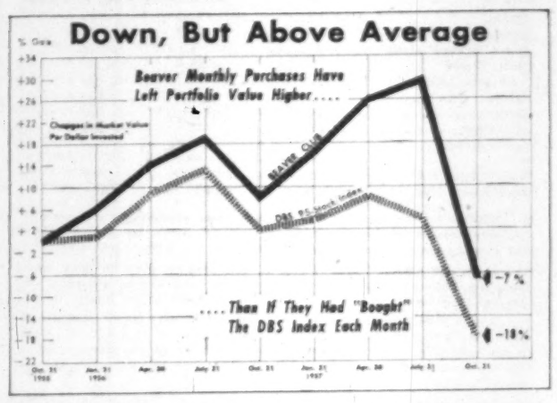
In recent years many investment clubs similar to our own have been born. Most have enjoyed popularity because of the favorable trend of stock prices. Falling markets will prove a test of their members' sincerity of purpose and understanding of the basic principles of dollar averaging.

If the market goes lower many may become discouraged and lose interest. We hope this will not happen in the Beaver Fund. We have, in more than one report, emphasized that investment clubs should relish low markets as opportunities to buy stocks at bargain prices.

Membership in the Beaver Club remained unchanged until the year end, at which time one member withdrew and was replaced by two new members who made their first payments on Nov. 1. This change represented a drain of about $200 in our cash available, since the retiring member's equity was $219.19 and the new members were not in a position to buy into the fund beyond the regular monthly contribution.

Had the club's accounting system not been based on a monthly purchase of fund shares at the then equity value, it would be impossible to permit new members to join without demanding that they pay up the full share in the fund owned by each of the existing members. Under our plan they can commence buying new shares each month on an equitable basis with other club members.

Dividends and interest received during the year totaled $113.43. On the basis of stocks held on Oct. 31, our annual rate of dividend income was $138.15 which represents a return of 2.83%. This low figure reflects the large number of non-dividend paying stocks we have purchased. During the last year, half our purchases were in this class. We hope that the growth of earnings of these companies will justify this sacrifice in current income.



At Oct. 31, the market value per dollar actually invested by the Beaver Club (excluding $126 in cash shown as credit with broker at that date), was 93c, compared with $1.29 at July 31.

If instead of buying (and in one case selling) the stocks it did, the club had been able to invest the same monthly expenditure in the DBS index of 95 stocks, the market value of the fund at Oct. 31 would have been only 82c per dollar invested.

The net asset value of the fund increased in November to 98c per dollar invested as at Nov. 30.

An explanation of how the fund manager works out the comparison with the DBS index was contained in an earlier report (FP, Dec. 8, 1956).

Beaver Club

The new purchase of this investment club
STEEL CO. OF CANADA

Here is the monthly report by the fund manager to the members of the Beaver Club on the fund's operation:

On Nov. 29 we purchased two additional shares of **Steel Co. of Canada** at a price of $50½ to yield 3.76%. This brings our holdings of Stelco to five shares with an average price of $56.05.

At the time of our initial purchase in June 1956, we said, "Looking beyond the minor cycles of the near term, the outlook for Stelco is one of continued expansion of production and profits." Since then the price of the stock has been as high as $73¼.

In our opinion the long term outlook for the company remains unchanged and today's price provides an opportunity to pick up stock at a time when investors are thinking mostly of short term factors and have forgotten the facts that made them like the stock at much higher prices.

Among the chief reasons why Steel Co. stock can be considered as a high grade investment, combining interesting growth possibilities, are the following:

1. The company has an uninterrupted record of common dividend payments since 1916.

2. Stelco is the largest steel producer in Canada.

3. Integrated operations range from coal and iron ore properties to pig iron and finished steel products.

4. The company has carried out a bold policy of plant improvement and expansion.

5. Operations are less subject to business fluctuations than most North American steel companies since a large portion of the company's output is devoted to supplying consumer goods industries rather than heavy industry.

6. Stelco has a 50% interest in the **Wabush Iron Co.** which has options on an enormous iron ore body in Labrador, suitable for open pit mining.

The company has recently stated that ingot production during the first nine months of this year has been about the same as last year, but that "moderate decreases" occurred during the last five months. Total sales are expected to be about the same for 1957 as last year.

It seems likely that 1958 production and sales figures will be down and perhaps this will cause further depression in the price of the stock. If so, we should be glad of a further opportunity to buy cheap stock.

Offsetting this unfavorable short term outlook is the fact that the tremendous expansion program is now nearing completion and many of the non-recurring costs which resulted will not show up as charges to 1958 profits. At the same time cost reductions enjoyed by plant improvement may further ease the strain.

Perhaps this is wishful thinking—we must wait and see.

Since our first purchase the annual dividend has been increased from $1.70 to $1.90. On the basis of 1957 earnings of about $5.00 the pay-out is still rather stingy. With such large amounts of funds no longer required for capital expansion perhaps a more generous dividend policy will be seen. However, the company has recently purchased 700 acres near Montreal which may indicate a new round of expansion.

The accompanying statement of the fund as at Nov. 30 reflects the withdrawal of one member and the payment to him of $219.19 on Nov. 1, as well as the addition of two new members who on the same date began by paying their regular $10 monthly contribution. These changes were reported earlier (**FP**, Nov. 9).

Beaver Club Monthly Statement

To Nov. 30, each original Beaver Club member has contributed $260. This interest in the fund was worth $257.19 on Nov. 30.

AS AT NOV. 30, 1957

	No. of Shares	Av. Cost Per Share $	Market Per Share $	Total Current Value $
Interprovincial Pipe Line	15	26.50	42	630.00
B. C. Power	10	37.06	39¼	392.50
Abitibi Power & Paper	15	31.75	27	405.00
Loblaw Companies "B"	20	23.78	21¼	425.00
Algom Uranium Warrants	35	9.07	6.35	222.25
Canadian Bank of Commerce	10	48.33	44	440.00
Steel Co. of Canada	5	56.05	50½	252.50
United Fuel "B"	5	38.00	47	235.00
B. A. Oil	5	45.00	37¾	188.75
Moore Corp.	5	49.00	64½	322.50
John Wood Industries "A"	5	42.00	31½	157.50
Pacific Petroleums	10	18.25	21¾	217.50
Canadian Hydrocarbons	20	11.00	7¾	155.00
Northspan Uranium	25	7.25	3.55	88.75
Quebec Natural Gas	10	20.00	22½	225.00
Dominion Tar & Chemical	25	8.87	10¼	256.25
Bailey Selburn Oil-Gas 5% convertible preferred	5	30.00	23	115.00
Trans Canada Pipe Lines—Units	2	120.00	127	254.00
—Shares	6	10.00	23	138.00
				5,120.50
Deduct debit with broker				209.96
Net asset value				4,910.54
Total contributions to date				4,992.67
Net asset value per dollar invested				.98
No. of Beaver shares outstanding Oct. 31			394.48	
Shares withdrawn by retiring member			19.72	
			374.76	
No. of shares purchased on Nov. 1-21 x .855			17.95	
No. of shares outstanding Nov. 30			392.71	
Net asset value per Beaver share			$12.50	
Dec. 1 payment will purchase			.80 shares	

The Beaver Club is a typical operating investment club. It has 21 members. Its stock purchases and sales are decided by a professional investor.

Stocks bought for the Beaver Club are not necessarily suitable for all investment clubs. Beaver Club members are nearly all young and their incomes are quite substantial. They can afford to take risks of loss which are inappropriate for some clubs.

The Beaver Club policy is quite definitely an aggressive search for attractive longer-term growth investments. —The Editors

ANNOUNCEMENT

B-A APPOINTMENT

R. D. MAGEL

R. J. Alm, Director of Retail and Jobber Sales of The British American Oil Company Limited, has announced the appointment of R. D. Magel as National Supervisor of Representation, with headquarters in Toronto.

Mr. Magel joined B-A in 1940 at Winnipeg and most recently was District Manager — Toronto East.

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Mr. E. Hoffer

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H.R.'s Gift Secretary

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CANADA'S QUALITY DEPARTMENT STORE

MORGAN'S offers the harried executive an easy way to Christmas popularity . . .

Morgan Merchandise GIFT CERTIFICATES!

Your business gifts

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ADDRESS .....

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CONVENIENT SAILING DATES
from SAINT JOHN, N.B. to LIVERPOOL

Dec. 13*	Empress of France	Feb. 4	Empress of France
Dec. 24	Empress of Britain	Feb. 18	Empress of Britain
Jan. 8	Empress of France	Mar. 11	Empress of Britain
	Mar. 21 Empress of France		

*Ideal sailing to enjoy Christmas in the Old Country!

SPECIAL SAILING FROM NEW YORK

Mar. 31 Empress of England

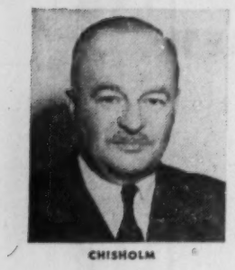
SEE YOUR TRAVEL AGENT
or any Canadian Pacific Office

Canadian Pacific

"For the sake of argument"

. . . is the challenging title to a regular Maclean's department where contributors of international distinction freely and frankly air their views on subjects of universal interest.

Their opinions are positive — their beliefs personal — their thoughts challenging. Controversy reigns supreme. No punches are pulled, and chins are stuck out; but above all they are sincere.



CHISHOLM

For example in the current issue, Brock Chisholm — former Director General of the World Health Organization — puts you into Asian shoes. He does this to make you see "How we look to the rest of the World." By the time you finish reading you'll be glad you're in Canada . . . or will you? But then, it's written "For the sake of argument!"

How would you have sided with the thinking of these men?

		FOR	AGAINST
BEVAN	Do you agree that Communism bears the seed of freedom? Aneurin Bevan—Britain's sharp tongued renegade felt that it did.	☐	☐
MACLENNAN	"We can't have Christ and Sputnik too," argued Hugh Maclennan, one of Canada's top novelists. What do you think?	☐	☐
SHAPIRO	Correspondent, novelist, and playwright Lionel Shapiro didn't like "Our malignant god publicity." Where do your thoughts lie on the present role of publicity?	☐	☐
CASSERLEY	Dr. J. V. Langmead Casserley, Canadian sociologist, author and theologian felt that "Divorce does more harm than good." Whatever your state of matrimony, where would you vote?	☐	☐
LOWER	"Is the RCMP a threat to our liberty" challenged Artur Lower, outspoken author, and Professor at Queen's University. For or Against?	☐	☐

"For the sake of argument" was conceived just two years ago as an experiment, and readers response was immediate. Today it is acknowledged to be one of the best read departments in the magazine . . . responsible for many of the "letters to the editor."

Stimulating reading like this creates fields of fresh thinking for over two million Canadians. It is another reason why people respond to the *entire* magazine.

Here then, is an alert audience that responds naturally to the new ideas and buying suggestions that appear in the advertising pages of Maclean's.

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How Much Will Ottawa Pay To Keep Provinces Happy?

OTTAWA (Staff) — How much will it cost if the Conservative government tries to satisfy the provinces' demand for revenue?

Starting price set at the two-day dominion-provincial conference last week was $987 million a year. This is $355 million more than the Liberals conceded in the five-year agreements which started this year.

But the Conservatives haven't yet decided how far they must go.

The political gossips have it that the Diefenbaker government must at least satisfy Premier Frost to keep his support at the next election.

And Premier Frost insists that he needs an extra $100 million a year.

According to Manitoba, the main Liberal provincial government left, and therefore the most outspoken, it will cost $355 million to keep all the provinces up to Ontario's Jones's.

Finance Minister Fleming cautiously spoke of limits on the Dominion's purse, and asked the provinces to make a list of priorities.

That was supposed to be attempted at the secret session; but the demands grew no less.

Premier Frost made a strong plea at this meeting for abandoning the "matching grants," whereby Ottawa pays for half of certain specialized programs.

He did not like them, either for social services or for education. Quebec's Duplessis doesn't like them either, and refuses to accept them.

Alberta's Manning spoke in the same sense, as many provincial treasurers have done in the past.

Matching Grants

But as it is, they get both matching grants and other aid; and the Conservative government has now committed itself to increasing both.

The Big Hopes

	Existing Arrangement 10-9-50	Manitoba's Proposal based on Frost's 15-15-50
	($ million)	
TOTAL	631.5	986.9
Newfoundland	16.1	25.5
Prince Edward Island	4.1	6.1
Nova Scotia	26.9	42.7
New Brunswick	21.5	34.1
Quebec	179.1	284.6
Ontario	214.4	332.3
Manitoba	32.9	52.3
Saskatchewan	34.1	54.1
Alta.	43.5	69.1
British Columbia	59.0	86.0
Equalization up, to per capita	$38.70	$61.49

NOTES: 1. The existing 10-9-50 plan gives equalization payments to all provinces except Ontario, bringing their per capita tax equivalents to the average yield of the standard taxes in the two highest provinces.

2. In two cases, P. E. I. and B. C., this formula does not give more than the 1951-55 arrangement. So they get "stabilization payments" to prevent them losing on the deal. These are included in the figures shown.

3. The Manitoba Government has accepted Premier Frost's proposal to raise the "standard taxes" allotted to the provinces up to 15-15-50. Then it has worked out "equalization payments" to bring all the provinces up to the tax yield in Ontario alone (instead of the two highest). This change makes relatively little difference.

The standard yield, on a 15-15-50 basis, on the average of Ontario and B. C. is $60.92 instead of $61.49.

Total payments would be only about $8 million lower if the two-highest average was retained.

Even before tackling the tax-sharing problem, Mr. Diefenbaker announced concessions on conditional grants.

The only definite tax-sharing formula put forward was Manitoba's $987 million job. But it was based on Premier Frost's proposal.

Mr. Frost says Ontario will get its needed $100 million if Ottawa will give it 15% of personal income taxes, 15 percentage points on corporate income tax and half of succession duties. In other words, he wants 15-15-50 instead of the present 0-9-50.

"The 15-15-50 proposition," said Mr. Frost, "is not a formula: It is the basic abatement that is necessary, as we see it, for our province."

But if Ontario is to get an extra $100 million a year, at Ottawa's expense, what are the other provinces to get?

Mr. Frost says he has no preconceived ideas about that, though he wants justice done to them all.

Manitoba's Campbell has definite ideas about justice and as a Liberal premier he had no hesitation in presenting them.

Ontario's 15-15-50 formula was perfectly satisfactory, he said; but only on condition that "equalization payments" brought all the other provinces up to the same per capita tax yield as Ontario.

Mr. Frost can have his $100 million (actually $118 million extra), says Mr. Campbell, provided all get a proportionate increase.

The extra cut in each case means between one third and one half of the present payments.

Here are Four Concessions Already Granted Provinces

OTTAWA (Staff)—Four concessions made to the provinces by Prime Minister Diefenbaker at the very beginning may cost some $50 million in the next fiscal year.

They are:

1. To extend federal contributions for unemployment assistance to all the recipients of relief. The Liberal government had excluded the first 0.46% of the population, as being a purely provincial and municipal responsibility.

If all provinces were in, the extra cost would be nearly $12 million a year; but Quebec won't come in, and Ontario has not stated a decision.

The extension of seasonal unemployment benefits, enacted last week, will also reduce provincial costs.

2. To advance the federal contribution to health insurance, which formerly had to wait for acceptance of six provinces representing a majority of the Canadian population.

Now the provinces with plans already in force, or able to qualify, will be given the federal contribution on an earlier fixed date.

Much detail has to be worked out: April 1, 1958 might just be possible; but it is morely likely to be July 1. Certain beneficiaries are B. C. and Saskatchewan; probables, Alberta and Newfoundland. Cost for these four: about $4 million per month.

3. To give grants-in-aid to the Atlantic provinces. The only figure mentioned in the D-P conferences was $35 million a year: But that was the figure the provinces used.

Federal spokesmen did not mention a price, though outside the conference $20-$25 million were suggested. N. S., N. B. and P. E. I. will get the grants. Nfld. is also in line, but its share depends on the Royal Commission now reviewing the terms of union.

Premier Smallwood wants $17 million a year. If the royal commission is too far off this, its recommended payment can be supplemented from the new grants.

4. To "consider on their merits major projects which will contribute to national development and are beyond the capacities of any of the provinces."

Already committed is a loan of $30 million to N. B. for the Beechwood power project; under negotiation are: federal construction of a thermal power station at Saint John, and transmission lines in N. B. and N. S.; federal contribution to the South Saskatchewan dam. Offered, but not taken up by Premier Bennett of B. C., is a federal contribution to power development on the Columbia.

A further offer — to extend federal health assistance to mental and TB hospitals, at an annual cost of $68 million—was carefully hedged. If the provinces choose to take the federal money in that form, Mr. Diefenbaker indicated, it will have to come off the payments under tax-sharing plans.

The mental and TB proposal makes no appeal to Ontario because Mr. Frost has already announced a scale of contributions which will cover them without any extra federal aid.

The 'Box Score' For Ioco Strike

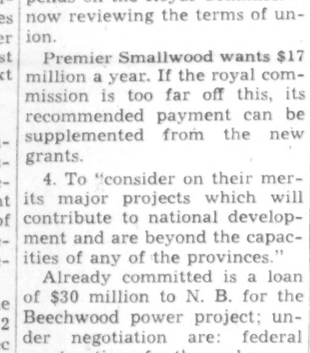
What was gained and lost in the seven-week strike at **Imperial Oil's** Ioco refinery near Vancouver?

This is the box score average for the 246 hourly paid workers, members of the Oil, Chemical and Atomic Workers:

- Gross earnings: $835 lost.
- Retroactive wages: $144, a gain of $19 on the company's previous offer.
- Wages: 11c-22c an hour (originally offered before the strike).

Says the company: The contract was no more attractive than what other employees got through non-union unit contracts.

Significance: The OCAW had hoped to make impressive gains which would have helped in any organizing plans it may have had for other Imperial Oil refineries.



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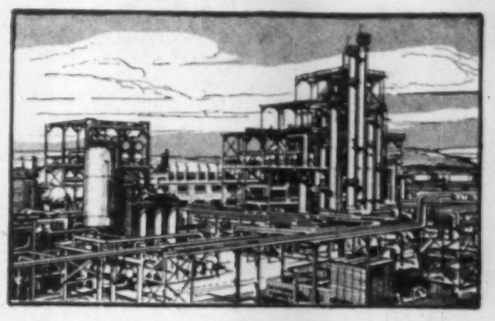

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CANADA LIMITED
44 King Street West — Toronto 1

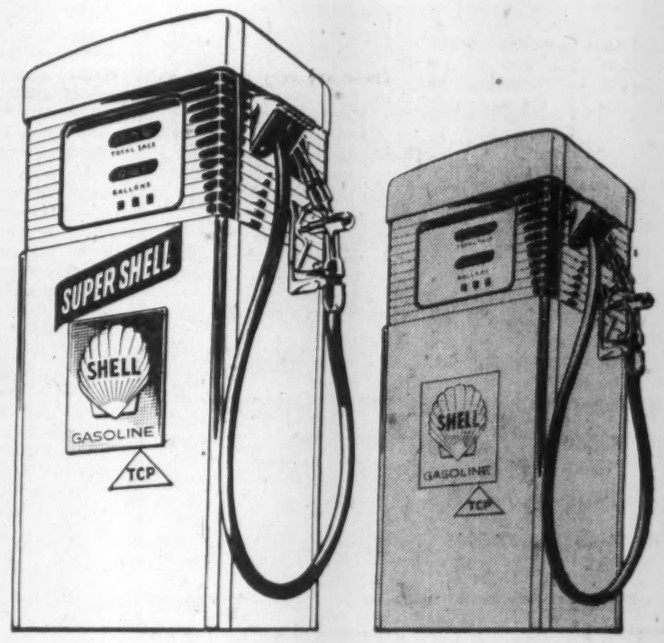
Sidney Roofing Now Operating On B. C. Mainland

The new $7 million plant at Burnaby, B.C., of **Sidney Roofing and Paper Co. Ltd.**, Victoria, has begun operations. Paperboard is being produced with the company's new No. 4 machine.

This operation marks the first stage in the transfer of the entire company to Burnaby, on the B. C. mainland.

It is expected that by early 1959, the company's 25-year-old Victoria plant will be closed completely.

How to break an old advertising rule — and make it pay off!



THERE'S an old saying in advertising: if you can leave one thought about your product in the public's mind—you've done well, *very* well.

But the problem Shell faced was to introduce *two* grades of gasoline at once. The need was there. For the modern high compression car—Super Shell, a top octane gasoline. For all other cars—new Shell, the new regular grade, also with an increased octane rating. And the problem was to introduce them in a market confused by conflicting claims of competitive gasolines.

The solution? In the announcement stage, Super Shell and new Shell were billed as: "the great new motor fuel team that satisfies the octane needs of every make of car."

This statement was substantiated by the fact that both gasolines have high octane which: "automatically supplies the full octane value your engine requires to meet every type of driving situation." Both benefits were assured, thanks to patented TCP. "*TCP neutralizes harmful engine deposits that cause power loss . . . assures you of continued peak performance and economy.*"

The result. The greatest all-media gasoline campaign ever launched in Canada in English and French, with 24-sheet posters, TV and radio spots, including jingles, backing up the newspaper campaign. And most important of all—Shell's total gallonage sales are up!

If you have an advertising problem that requires an imaginative, bold approach, we would be very pleased to discuss the whole matter with you further.

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Professors' Salaries Across Canada

All Salaries in Dollars

	Professors				Associate Professors				Assistant Professors				Lecturers			
	Median 1957-58	Minimum 1957-58	Minimum 1956-57	Increase	Median 1957-58	Minimum 1957-58	Minimum 1956-57	Increase	Median 1957-58	Minimum 1957-58	Minimum 1956-57	Increase	Median 1957-58	Minimum 1957-58	Minimum 1956-57	Increase
Acadia		4,500				3,600				3,200				2,500		
Alberta	8,700	8,000	6,860	1,140	7,250	6,500	5,610	890	5,650	5,000	4,360	640	4,700	4,100	3,760	340
Bishop's		6,500				5,500				4,500				3,600		
British Columbia	9,250	8,000‡	8,000		7,230	6,500‡	6,500		5,960	5,000‡	5,000		4,730	4,000	3,500	500
Carleton	9,100	9,000	6,500	2,500	7,500	7,000	5,300	1,700	6,000	5,000	4,100	900	5,000	3,500	2,900	600
Dalhousie	7,500	7,500	6,000	1,500	6,000	6,000	5,000	1,000	5,000	5,000	4,000	1,000		3,500	2,800	700
Laval		8,000	6,000	2,000		6,500				5,000	4,000	1,000		4,400	3,100	1,300
Manitoba	8,000	7,400	6,300	1,100	6,600	6,300	5,300	1,000	5,600	5,000	4,300	700	4,500			
McGill	9,000	8,000	7,100	900	6,750	6,500	6,046	454	5,500	5,000	4,800	200	4,000	3,500	3,100	400
McMaster	9,120	8,000	6,000	2,000	7,140	6,500	5,000	1,500	5,790	5,000	4,000	1,000	5,130	4,000	3,000	1,000
Memorial	7,500	6,800	5,500	1,300	6,000	5,500	4,500	1,000	4,500	4,400	3,500	900	3,900	3,400	2,500	900
Montreal		8,000				6,500				5,000						
New Brunswick	6,950	6,500	5,500	1,000	6,000	5,700	5,000	700	5,000	4,500	4,000	500	3,800	3,500	3,000	500
Ont. Ag. Col.	7,370*	6,500	5,800	700	6,572*	5,500	4,900	600	5,651*	4,800	4,300	500	4,590*	4,100	3,600	500
Ont. Vet. Col.	7,600	6,500	5,800	700	6,450	5,500	4,900	600	5,500	4,800	4,300	500	4,700	4,100	3,600	500
Ottawa	7,250	7,000			6,950	6,000			5,400	5,000			4,800	4,000		
Queen's	9,000	9,000	6,500	2,500	7,400	7,000	5,500	1,500	6,500	5,500	4,500	1,000	5,000	4,000	3,500	500
R.M.C.		7,140				6,360				5,880				4,740		
Saskatchewan	8,580	8,000	6,800	1,200	7,080	6,500	5,700	800	5,700	5,000	4,500	500	5,433	4,500	3,700	800
Sir George W.	6,650	5,700	5,700	——	5,650	5,650	5,650	——	5,050	4,650	4,650	——	4,700	4,350	4,350	——
Toronto	10,110*	9,600	8,000	1,600	7,967*	7,500	6,500	1,000	6,272*	5,800	5,000	800	4,790*	4,300	3,500	800
United	6,500	6,400	5,600	800	5,300	5,300	4,700	500	4,650	4,500	4,300	200	4,200	4,000	3,400	600
Victoria (B. C.)	8,600	7,700			7,250	6,200			5,850	4,800			4,400	3,800		
Western	8,050	7,500	7,000	500	6,700	6,500	6,000	500	5,600	5,200	5,000	200	4,500	4,300	4,000	300

‡No changes in basics, but merit increases totaling $315,000 were to be divided among 415 teachers.
*Average salaries.

Our Profs Paid Peanuts?

AN EXCLUSIVE REPORT

(CONTINUED FROM P. 3)

the first of two intermediate schedules — $4,300, $5,800, $7,500 and $9,600.

These are the best schedules in Canada and it's on these that eyes of other university administrators — and officials of the CAUT — are fixed.

Because they will move up next year into another intermediate range and the following year, into the final range, it's substantially certain that salaries at other universities will follow suit.

Match Them?

It's not possible that other universities will try to match Toronto salaries — rather they (the medium-sized institutions at least) will try to keep within 10% or 15% of the Toronto scales.

Thus, the Toronto move this year was followed by announcements from substantially all the other Canadian institutions of similar boosts; and officials of an important segment of the others have indicated to FP that they'll be following the Toronto line for the next two years.

What will this mean to the buying power position of the Canadian university teacher?

- **As of the end of this year** the real income of the Canadian university teacher will be up about 23% on his income in 1937-39.
- **If increases of the same magnitude** are continued for another two years, his real income may be up almost 60%.

However, as stated above, the real income of Canadians, per member of the working force, is now up over 130% on the same base.

Not only Factor

Salaries are, of course, an important factor in a person's choice of employment, but they're not the only factor. What about pension plans and opportunities to engage in outside work?

On pension plans conclusions are conflicting. The CAUT told the Gordon Commission that:

"The retirement plans in universities on the whole lag behind commonly accepted standards in industry and government.

"There are similar discernible lags in welfare measures such as health insurance and medical care, unemployment insurance, legal services, food and club-room facilities, expense allowances, tax exemptions and tuition concessions."

On the other hand, W. J. Waines, dean of arts and sciences, Manitoba, concluded in a recent survey that "it seems likely that university pensions are now generally in excess of those prevailing in industry at corresponding salary levels."

What about other opportunities for professors to secure income while teaching?

These are very much greater than they were a generation ago. Many professors of business administration and engineering subjects have ample opportunities to increase their incomes by accepting consultation assignments.

There are analogous chances for teachers of other subjects. The National Research Council has a $200,000 program of summer research grants for professors.

Against encouragement of this method of securing increased income is this argument (not valid in the case of the NRC grants):

The services of university teachers are in short supply and, if they gain financially by accepting outside assignments, the country loses the benefits of their teaching and research.

Buying Power

What about the propriety of using figures from the downswing of the 1930s to show a relative deterioration in the buying power position of Canadian university teachers? Why not use the 20s?

Actually, it can be argued that there is no reason, on the face of it, why university teachers should be restored to the same relative position that they enjoyed in the 30s.

Persons on fixed incomes, with secure tenure, were in a better position than most in this period, as they are in any period of decline, because at such times inflexible prices, including salaries, tend to decline more slowly than other prices.

The CAUT chooses the 30s for its comparisons partly because there are no Canadian figures available for comparison from an earlier period (the first DBS figures date from 1937-38), and partly because it's hard to establish an objective standard against which to measure university salaries.

Last year, the faculty association of University of British Columbia attempted a calculation based on training costs.

It concluded that the minimum salary which a Ph.D. should receive to cover the capital he has invested in his education and be compensated for the financial sacrifice he made by studying so long was $6,200 —$200 over the CAUT's floor minimum.

Basis of Pay

Probably the most unassailable basis on which a university teacher's salary can be calculated is suggested by this question:

Are salary scales high enough to attract into the profession enough persons of Ph.D. calibre to maintain university expansion in Canada at the rate at which it will be required?

The CAUT's answer to this: No, not by a long shot. Here's why:

- **Based on the 1955 Sheffield projection** of university enrolment (FP, June 15), 5,245 Ph.D.s will be needed in Canadian university teaching by 1965.
- **The universities expect** to graduate about 4,800 during this period.
- **In the past, less than half** of Canadian Ph.D. graduates went into university teaching.
- **Therefore, argues the CAUT,** less than 2,400 people will be applying for 5,200 jobs.

Are the universities at present losing staff? The answer: Very definitely.

Lost Staff

The Maritime universities and at least one of the western ones have consistently lost staff to Ontario universities.

Toronto officials have been quoted from time to time deploring staff losses to U. S. universities which are said to be "very good at picking our best men."

President Watson Kirkconnell of Acadia University at Wolfville, N.S. recently commented that budgets in the Maritimes are balanced "by starving the professors."

In this connection, the CAUT's analysis of Maritime salary scales is worth looking at:

It's based on the most recent DBS education division figures, which cover the session beginning in 1956. Contrasts are made between median (mid-point) salaries paid at Acadia, Dalhousie, Halifax; St. Francis Xavier, Antigonish, N.S.; Mount Allison, Sackville, N.B.; and University of New Brunswick, Fredericton, and 12 western and central universities.

One set of medians (Maritime universities) is matched against the other set (western and central).

Key point is that between 1950 and 1956 the differential between the two sets of medians has increased greatly.

In other words, professors in central and western Canada have received fat boosts; Maritime professors have not.

Median for all grades of university teachers in the Maritimes in 1956 was $4,619, against $6,033 in the west and centre.

The differential is $1,414, as against $1,000 in 1950.

Here are other differentials:

	Median Salaries 1950 $	1956 $
Professors		
W & C	5,810	8,180
Maritime	3,896	5,600
Differential	1,914	2,580
Associates		
W & C	4,663	6,230
Maritime	3,528	4,239
Differential	1,135	1,991
Assistants		
W & C	3,878	5,664
Maritime	3,500	4,476
Differential	378	1,188
Lecturers		
W & C	2,928	4,063
Maritime	2,000	3,421
Differential	928	642
All Staff		
W & C	4,316	6,033
Maritime	3,316	4,619
Differential	1,000	1,414

Salary differentials in all categories but one — lecturers —have increased in the period 1950-56 over those existing in the previous period.

Why has the position of the lecturers improved, and that of the other categories grown worse?

The CAUT comments:

"The reason for the lecturers' better fortune is not far to seek.

Junior Salaries

"It is at this rank that new staff has to be recruited and junior salaries cannot, therefore, be permitted to move too far from the national averages.

"The differentials have been allowed to widen in the higher ranks because, for most university and college teachers, mobility declines with age and with family responsibilities.

"Professors and associate professors have to take what they can get."

The CAUT has other contentions about salaries in the Maritimes universities:

—**Work loads are heavier;** staff-student ratios are one to 16 as opposed to one to 13 to 15 elsewhere in Canada.

—**Promotion does indeed come earlier.** A man should reach a full professorship in the Maritimes a year earlier than at other Canadian universities but "this is not a very significant difference."

—**"A sizeable migration** of staff has resulted and to it every September has added its fresh recruits. Every college and university in central and western Canada has its academic refugees from the East."

—**Because of impending professor shortages** elsewhere in Canada, new Ph.D.s won't, as they did in the past, go to the Maritimes. Instead, "with scores of posts in the rest of Canada begging for trained and experienced faculty, even the most loyal and devoted Maritimes teachers will face an almost irresistible temptation to move."

"It is then that the real exodus will get under way."

Table of Salaries

Minimum salaries now being paid at most of Canada's major universities are given in the table accompanying this article.

Most of the figures are official (i.e., supplied by bursar's or president's office to the CAUT and furnished to FP by the association).

A few of the figures have been calculated by faculty associations.

The figure in the first column is the median salary in the category involved — chosen, rather than the arithmetic average, as giving the better picture of the salary situation.

The arithmetic average would be pushed upward by high salaries to a few individuals.

But, in each category, half of the salaries are above the median and half below; thus the position of the median is indicative of the general salary picture.

The position of the median with respect to the minimum salary is also revealing.

At some universities, for various reasons, some individuals receive salaries below the official minima — carrying of a subnormal teaching load might be one reason.

One or two of the minimum salary scales set out in the table were announced to go into effect at some time after the information was furnished to the CAUT; the medians were calculated from salary scales in effect at the time the information was given.

In cases of this sort, the minimum and the median would be close together.

But, in general, the greater the difference between the minimum and the median, the higher the general salary level involved.

How Good Are They?

How good are Canadian professors?

One may assume they are, on the whole, very good indeed. But hear Dr. Eugene Forsey, himself a former university teacher, now director of research for the Canadian Labor Congress:

"University people produce, or praise, or both, much shoddy work.

"I speak from ample experience. A great many books by Canadian professors on subjects that I know something about are peppered with elementary errors of fact, mistakes that I should have supposed any educated Canadian would know enough not to make.

"Everyone makes mistakes. I'm talking about whole pyramids of them, three or four to a page, a dozen to 10 pages.

"Of course there is much magnificent work coming out of our universities. But there is also some shocking, and inexcusable, shoddy stuff, and enough of it to constitute one more outward and visible sign of a serious crisis of quality in this part of our educational system."

Many of the salary figures in this article are supplied by the Canadian Association of University Teachers, which represents about 75% of those teaching in Canadian universities. Here's the opinion of one comptroller of a large university of the CAUT:

"They're nothing but a labor union. They concern themselves exclusively with salaries and working conditions and not at all with standards of work.

"I have more trouble dealing with the faculty association at this university than I do with the certified labor union with which I must bargain once a year."

ANNOUNCEMENT

WESTEEL DIRECTOR

F. W. P. JONES

Mr. G. W. Hutchins, Chairman of the Board, Westeel Products Limited, announces the appointment of Mr. F. W. P. Jones as a Director of the Company to fill the vacancy left by the resignation of Mr. J. H. Riley.

Mr. Jones is Dean of the School of Business Administration, University of Western Ontario, to which position he came from a broad business background. At the present time, he is also Director of a number of companies in the fields of industry and finance.

AID FISHERMEN

From Our Own Correspondent

ST. JOHN'S—The federal fisheries department has come to the aid of Newfoundland fisherman hit by the shortage of squid, excellent bait for codfish. The department is to buy stocks of squid for delivery to fishermen. Cod fishing off Newfoundland's south coast has been particularly hit by the lack of bait.

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Sealed tenders will be received by the undersigned trustee up to 12:00 o'clock noon on December 18, 1957 for the purchase (subject to the conditions of sale hereinafter mentioned) of the above mentioned mining property, mill and equipment en bloc.

All tenders must be accompanied by a certified cheque payable to the undersigned trustee for 10% of the amount of tender which will be returned if the tender is not accepted and forfeited to the undersigned as liquidated damages if tender is accepted and sale not completed by the purchaser. A further 15% shall be paid on acceptance of tender and the balance in cash on closing within fifteen days thereafter or as may be arranged with the undersigned trustee.

The highest or any tender shall not necessarily be accepted.

Arrangements may be made to inspect the property and particulars of the above mentioned assets and the conditions of sale may be secured from the undersigned trustee.

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Packaging Market On Smaller Farm?

Another new trend shapes in merchandising . . .

BY RICHARD OGDEN

There's a potential market for packaging machinery on our smaller farms.

Behind it: A trend toward persuading farmers to do their own packaging for supermarket sales.

- **Supermarkets prefer to buy** their fresh fruit and vegetables from co-operatives which have uniform standards for quality.
- **Many small and medium sized** farms could purchase packaging machinery on a co-operative basis which they could not buy individually.
- **Farmers could get a larger share** of the consumer's dollar by doing their own packaging.

Many farmers who sell their crops to the chains during the peak summer demand could do it year round if they formed a co-operative.

The supermarkets find it uneconomical to buy from hundreds of small farms whose standards range from excellent to poor.

It leads to too many headaches.

A brand name is a sure way for a product to establish itself with the public.

An attractive package which enables the buyer to see what she is getting has proven itself time and time again.

Besides, prepackaging cuts waste on perishables.

Farming groups which did their own packaging could get the cut which now goes to the middleman.

Kitimat Linked To Main Highways

From Our Own Correspondent

VANCOUVER — The northern aluminum city of Kitimat really feels part of B.C. now.

After several years of waiting, it is now linked to the province's highway grid system by a 37-mile gravel road from Kitimat to Terrace at a cost of $3.5 million.

A Vancouver motorist can now reach the smelter city by driving north to Prince George, then west along the Northern Transprovincial Highway and then south from Terrace.

The highway runs up the same valley as does the spur line of the **Canadian National Railways** on its Edmonton-Prince Rupert lir

The city is now served by bus, tr[illegible] and non-scheduled airline flights and passenger boat, a far cry from only seven years ago when bulldozers began to hack Kitimat's site out of the wild coast forests.

Suggest Township Annexation

From Our Own Correspondent

WELLAND, Ont. — Annexation to this city of the entire Crowland Township is recommended in a report prepared by the Citizens Research Institute.

The institute recommends also that parts of Thorold, Humberstone and Pelham Townships be incorporated in the amalgamation.

The move, if carried out, would increase Welland city's population to 36,000 from 18,000.

It would also increase the city area to 22,000 acres from 970 acres, which is almost entirely developed.

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He also specializes in the NEW PERSONAL (tax - exempt) PENSION PLANS for self-employed individuals.

There's a Ripe Market In Rising East Africa

Wanted: the kind of goods Canada makes best. This tribal chieftain today has a new type of power—purchasing power . . .

By RONALD S. HUTTON

Revolutionary changes have been taking place throughout East Africa during the last 25 years.

An entirely new social and economic pattern is now emerging.

During the last quarter century a considerable section of the African populace in Kenya, Tanganyika and Uganda has leap-frogged from complete and seemingly hopeless barbarity to a state approaching the fringes of western civilization.

The East African now lives under a modern cash economy supported by the benefits of medicine and science.

This radical change has created an entirely new class — the African consumer — and is steadily opening up a whole new field of markets.

In Africa statistics tend to lag behind by a few years, but one or two comparisons will show the extent of recent economic expansion.

Between 1946 and 1952 East African imports rose from £30 million a year to £121 million a year.

During the same period exports rose from £25 million to £120 million.

Still Very Poor

But East Africa is still basically desperately poor.

Essentially this is due to the very low per capita productivity of the African. But this is an over-simplification.

Productivity is low not only because the native worker lacks both technical skill and incentives, but also because a very large section of the population lives in areas where absolutely no productivity is possible.

Entire tribes inhabit regions capable of supporting life only at subsistence level and often not even at that level.

Large areas of land are waterless and others are infested by tsetse fly so that they are useless for agricultural or pastoral purposes.

Figures are not available, but there must be several million Africans still living under barbaric conditions.

As consumers they simply do not exist.

However, there is a much brighter side to the picture.

All were introduced from outside, incidentally.

Aided by government services and research, the native farmer has increased his output several times over.

By marketing his produce through government agencies or government-sponsored co-operative organizations he is less at the mercy of market shifts.

The cattleman, too, is in a far happier position.

He now can raise better cattle for the market rather than for purely prestige reasons.

The greatest difficulty: The age-old African tradition that measures a man's social standing by the number of cattle he owns irrespective of their condition.

So in many more fortunate areas the African has a cash surplus.

He has acquired spending power.

An equally important factor in the creation of a cash economy has been the emergence of a wage-earning class.

Many thousands of Africans have abandoned their traditional occupation on the land and flocked to the towns in search of paid work.

A new development in East African economy is about to manifest itself: The emergence of a yeoman class.

So far the African has been a peasant or a laborer; now he is beginning to occupy clerical and junior administrative posts in government service, public utilities and even in private companies.

There is also evidence of Africans going into business on their own account and this has been keenly encouraged by the British administration.

In some parts of East Africa where conditions have been exceptionally favorable a few Africans have achieved real wealth.

In Uganda, for example, cotton has brought big profits to a number of individual African growers who now live on a most lavish and extravagant scale.

In Tanganyika, in the Kilimanjaro area, coffee has earned the WaChagga tribe a considerable fortune.

This tribe, under the wise leadership of its genial and well educated Mangi Mkuu (Paramount Chief) Tom Marealle, has used these profits intelligently to set up schools, clinics and now an impressive College of Commerce which will be open to students of all races.

What it amounts to then is that East Africa has a dual economy:

- **On one hand, a section** of the population living under a cash economy and enjoying a relatively high standard of living.
- **On the other, a section** that is still virtually savage, unproductive, non-consuming and economically non-existent.

Cash economy, western influence and the spread of education have combined to create a whole new range of needs among Africans.

Brick Houses

Mud-and-wattle huts are now spurned in favor of brick dwellings, the wage-earning African wants western-style clothes — the flashier the better.

He aspires to own such things as bicycles, wrist - watches, radios, gramophones, household goods, beds instead of sleeping mats, cigarettes, beer and — the latest craze — cameras.

There's a widespread and growing demand for all types of manufactured goods, particularly clothing and household equipment, motor and bicycle accessories, and machinery and transport equipment.

Some countries were quick to see the opportunities and began flooding East African markets with consumer goods of the shoddiest imaginable quality.

For a time the African was content to buy this class of goods.

But there is no doubt that during the last two years or so he has been growing increasingly quality-conscious.

A good example of this was seen in the bicycle market.

The cheapest U.K.-made bicycle sells in East Africa for £12, the equivalent of three months' wages.

Japan recently marketed machines, almost identical in outward appearance, to sell at £4, but Africans had a buyer resistance to these.

They preferred to save up or borrow to buy a higher-priced article.

This much can be said with certainty:

Manufacturers of consumer goods — from canned beans to cars — will find it very much to their advantage to keep an eye on East African market trends over the next five years.

Ronald S. Hutton is a free-lance writer who has spent many years in East Africa.

Markets For You?

Here are some of the lines for which there is a growing demand throughout East Africa:

- **Manufacturing and processing machinery,** farm equipment and building materials. Big demand for timber. East African hardwoods are unsuitable for building purposes.
- **Transport equipment:** Special and heavy duty vehicles tires and parts, fuel and lubricants, bicycles and accessories.
- **Domestic goods:** .General household articles, kitchen utensils of good quality aluminium and enamelware (sturdy enough to survive heavy-handedness), attractively-designed plastic crockery, oil-burning lamps, toilet requisites.
- **Textiles: Chiefly** low-priced cotton piece goods, also cowboy-style men's wear (i.e. two-tone shirts with fringes, heavy belts with western motif on buckle, cowpuncher boots and even chaps. A lightweight and porous imitation buckskin shirt with fringes would be a best-seller). Blanket demand is constant, as they are used both as garments and bedclothes. Tanganyika alone imports nearly two million a year.
- **Drugs and chemicals.** There is a constant need for drugs against malaria and other tropical diseases, and for vitamin and "pep" pills which are taking the place of witchcraft spells.
- **Short-range and medium-priced** radios, particularly those in which controls have been reduced to a minimum; gramophones and records, especially cowboy and samba-style numbers; the more simple musical instruments such as guitars, banjos, ukeleles, etc.
- **Beer and spirits.** All three East African territories recently abolished the discriminatory laws which forbade Africans to buy or consume European liquor.
- **Tobacco.** Locally-grown tobacco has to be blended with Virginian.
- **Office equipment,** particularly the modern aids such as tape-recorders, accounting machines, streamlined filing systems, etc., as well as air-conditioning units for offices and workshops.

New Issue

$6,000,000

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Convertible Feature

Date of Conversion	Common Shares Issuable for each $500 principal amount of Debentures	Approximate Conversion Price
On or before December 1, 1961	22 Shares	$22.73
Thereafter and on or before December 1, 1965	20 Shares	25.00
Thereafter and on or before December 1, 1967	18 Shares	27.78

All of the common shares of the Company now outstanding are owned by International Utilities Corporation.

Trustee: Montreal Trust Company

In the opinion of Counsel, these Debentures will be investments in which the Canadian and British Insurance Companies Act states that a company registered under Part III thereof may, without availing itself for that purpose of the provisions of subsection (4) of Section 63 of said Act, invest its funds.

We offer these Debentures as principals if, as and when and to the extent that the option to purchase these Debentures is exercised and subject to issue and receipt by us thereof and prior sale and change in price and to the approval of all legal matters on behalf of the Company by Messrs. Milner, Steer, Dyde, Martland and Layton, Edmonton, and on our behalf by Messrs. Common, Howard, Cate, Ogilvy, Bishop & Cope, Montreal.

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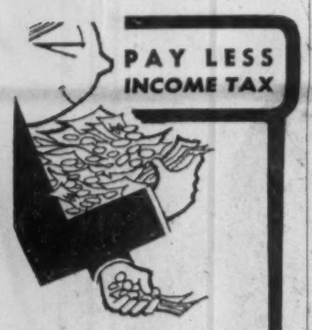

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MacNab's Portfolio

A Managed Investment Account

Invested in 1944	$10,000
Account latest valuation	$30,851

Eyes Powell River, Noranda

MacNab's manager hasn't made any changes in the account, but he has his eye on a couple of stocks for purchase when the outlook is clearer.

The stocks are **Powell River** and **Noranda Mines**, both of which are already included in the portfolio.

The pulp and paper industry in B. C. has been hit by a strike and newsprint demand has dropped. Powell River's new machine had been operating at capacity prior to the strike, however, and the portfolio's manager plans to add to holdings when the market is more stabilized.

He has Noranda on his buy list as "one of the best diversified copper mining companies in Canada."

Here is his report:

A valuation of the account at Nov. 18, 1957 is attached. At this date the Toronto Stock Exchange Industrial averages closed at 403.27, 2.5% below the 413.83 on Oct. 15, 1957.

In these troubled times, when world affairs are moving so fast and we are apparently in the atomic age with a vengeance, it is well to remember that a conservative policy always pays good dividends. The account is invested in good investment stocks and bonds, all of which are paying a return on capital.

The capital value has declined recently, but I have not seen fit to either sell or average down on a number of securities you hold (with the exception of **Falconbridge Nickel**), because the picture is not yet clear to me as to the future trend of the business cycle.

It is apparent that U. S. economists do not think there will be any substantial recovery in the volume of business until the middle of 1958, or late fall. Certain industries are in a depressed condition, particularly base metals, and pulp and paper. The steel industry is obviously reflecting a slackening off in demand, in the volume of construction.

Natural gas pipeline stocks have taken a very substantial decline in market value. However, your holdings in this group are very nominal, and I advise you to hold your small interest in **Trans-Canada Pipe Lines**.

The demand for crude oil for the domestic market in Canada has failed to come up to earlier optimistic expectations. There is also a decline in demand from the U. S. Westcoast market due to high inventories. Refineries in Washington State have been importing Venezuelan crude, because tanker rates are exceptionally low. That is affecting the oil throughput of the **Trans Mountain** pipeline which has reduced its charges by 5c a barrel.

Your holdings in the oil industry are primarily in **British American Oil Co.**, a very progressive major oil company which offers excellent growth possibilities. Their oil reserves in Canada are not as large as **Imperial Oil**, but their reserves in the U. S. are well diversified and a very important part of the picture.

There has been a marked improvement in bond prices, reflecting trends toward easier money both in Canada and the U. S. as business shows signs of slowdown.

British Columbia, due to the close down in the pulp and paper industry as a result of the strike, and the laying off of approximately 1,700 employees at Kitimat, is probably the hardest hit of any province at the present time. The long term growth aspects of British Columbia however, remained unequaled and I am advising MacNab to hold **Powell River Co.**, **British Columbia Power Corp.** and **B. C. Telephone** for the long pull as all these companies are in a sound financial position.

Powell River is, of course, suffering from a decline in the demand for newsprint and a substantial loss on U. S. exchange. The No. 9 newsprint machine was operating at full capacity prior to the strike. At recent levels of around $29, I consider this stock to be an excellent purchase, and intend to add to your holdings when the market is more stabilized, and when the outcome of the strike becomes more apparent.

I feel the same way about **Noranda Mines** and have this on my buy list as one of the best diversified copper mining companies in Canada.

MacNab's income remains at a new high level and I see no concern at the moment about any reduction in dividend rates on the securities he holds.

During the month ended Nov. 18, investment income amounted to $10. After the usual monthly withdrawal of $40, there was a cash balance of $196.

Here is MacNab's portfolio as at Nov. 18:

		Cost per Share	Mkt. per Share
	Common Stock		
40	Abitibi	25.00	25½
35	B. A. Oil	40.45	36½
70	B. C. Power	35.79	39½
70	B. C. Tele. ord.	35.87	38
25	Bank of Montreal	49.95	42½
100	CPR	22.85	23½
60	Con. Mng. & Sm.	20.00	19¼
50	Dist. Corp.-Seag.	30.85	26½
50	Dom. Fdrs. & Su.	26.18	25½
30	Falconbridge N.	25.25	23⅛
60	Internat. Util.	21.50	24
20	Noranda Mines	34.44	38
70	Powell River	31.13	29½
100	A. V. Roe Can.	18.50	13½
30	Hiram Walker	51.50	71¼
40	Howard Smith	21.75	25
50	Sicks' Brew.	26.50	21
10	Trans-Can. P. L.	481.25*	21½
3	Do., units		125
	*Total cost of units and shares.		
	Preferred Stock		
40	Aluminum Co. of C. 4½% 2nd pf.	51.25	45
	Corporate Bond		
$2,000	Loblaw Groc. 6% 1977	100	110
	Market value		$38,865.00
	Cash		196.00
	Total value		39,061.68
	Original amount invested		10,000.00
	Capital gain		29,061.68
	% Capital gain		290.61%
	Prospective annual income		1,636.56
	% Yield on original invest.		16.36%
	% Yield on market value		5.38%

ANNOUNCEMENT

TURNBULL ELEVATOR CO. LIMITED

DAVID R. HUGHSON, BASc., MBA, P.Eng.

Mr. M. C. Stafford, President of Turnbull Elevator Co. Limited announces the formation of the new Hangar Door Division of the Company and the appointment of Mr. D. R. Hughson, P.Eng., as Manager.

The new division will be responsible for the sale, manufacture, installation and service of aircraft hangar doors throughout Canada.

... Montreal

population over 1,650,000 and heading for the two-million mark — more homes, more families, more retail outlets than any Canadian city. To keep your sales growing in this growing Metropolis build your campaign around The Montreal Star — dominant paper in Montreal's English market.

Facts and figures on request.

The Montreal Star and Herald

Air Fares Squabble Ends

MONTREAL (Staff) — The big airline hassle over lower fares on the North Atlantic came to an end this week.

Result: A 20% reduction in the lowest fare, increases in others.

It has been a bitter dispute with some lines urging major fare cuts, others arguing for rate increases (**FP**, Oct. 19).

Discussions at International Air Transport Association's Miami Traffic Conference in October broke down completely.

A cooling-off period was called and talks resumed in Paris late last month with Hugh B. Main, vice-president of **Canadian Pacific Airlines**, in the chair.

New Atlantic "Economy" — or "Steerage" as airmen call it privately—fare: $252 one-way; $453 return. (Present tourist fare is $290 one-way, $513 return).

The airlines warn it will be no luxury trip. Less room between seats, no alcohol. Sandwiches and coffee will replace meal service.

On the credit side: Baggage allowance will stay at the tourist level at 44 lb.

This week's news is important to the Atlantic carriers. Faced with mounting costs they have had to up tourist and first-class fares. Effective April 1 1958 first-class one-way goes up $35, tourist $25.

The 15-day reduced-fare tourist return trip is dropped.

What will be the traffic pattern for 1958?

That is the $640 million question for the airlines.

Some feel the economy fare will end tourist flights completely — simply widening the gap between the two classes of travel.

Others feel there is room for all four classes — economy, tourist, first and de luxe.

At midweek no one seemed very enthusiastic.

Those who have argued for sweeping reductions in fares to fill the planes day and night were unhappy with the limited reduction.

Those who were pressing for increased fares to meet costs feared the new service would kill tourist flights completely—thus cut earnings per seat.

But would-be "Economy" passengers for 1958 should be happy. They stand to save money.

INDUSTRIAL ACCEPTANCE CORP. has issued 5,060 common shares under its personnel stock purchase plan, raising number outstanding to 2,697,647.

Life Sales 14% Higher

New life insurance bought by Canadians during October reached $428 million for a 14% year-to-year increase.

This continues a several-month-long trend of substantial gains every month over year-earlier sales.

Ordinary life sales were higher than a year before in all provinces except PEI. Total came to $363 million, up 20% from a year earlier.

Industrial life sales at $9.5 million were 5% lower than in the same month last year. New group life sales at $55.5 million were down 12%.

Here is the record of ordinary life sales by provinces, as compiled by the Canadian Life Insurance Officers Association:

	1957	1956
	$000	
Alberta	26,400	22,100
British Columbia	33,900	27,400
Manitoba	15,400	12,600
New Brunswick	6,800	5,100
Newfoundland	2,000	1,400
Nova Scotia	11,500	9,200
Ontario	148,700	125,600
Prince Edward Island	600	600
Quebec	109,200	90,400
Saskatchewan	8,500	8,200
Here are sales figures by months:		
January	268,700	233,400
February	322,600	250,400
March	345,300	273,500
April	371,500	278,300
May	374,700	283,800
June	378,000	292,500
July	385,400	280,616
August	328,300	256,500
September	335,100	248,400
October	363,000	302,600
November	.....	341,717
December	.....	347,400

NEW BANK BRANCH

Bank of Montreal has opened a new branch at 5625 Cote de Liesse Rd., Lachine, Que. Under the management of G. J. M. Gale, the branch will be known as 55th Avenue and Cote de Liesse Road West branch.

IT'S QUICKER BY CLIPPER* CARGO

MOST EXPERIENCED

Anyone with a strong back can throw cargo around . . . it's done every day! Sometimes you wonder how even the most expensive packing can stand it.

But with Pan American, whether your shipment fits the palm of your hand or fills a whole house with furnishings, you can be sure that professionals are caring for it from shipping point through to delivery.

Send for FREE booklet, "There's Profit in the Air . . . with Clipper Cargo." Call your PAA District Sales Manager, or write to Pan American World Airways, 25 Adelaide St. W., Toronto, Ont. For immediate service, call your Shipping Agent or any Pan American office. *Trade-Mark. Reg.

Flies more cargo overseas than any other airline

PAN AMERICAN

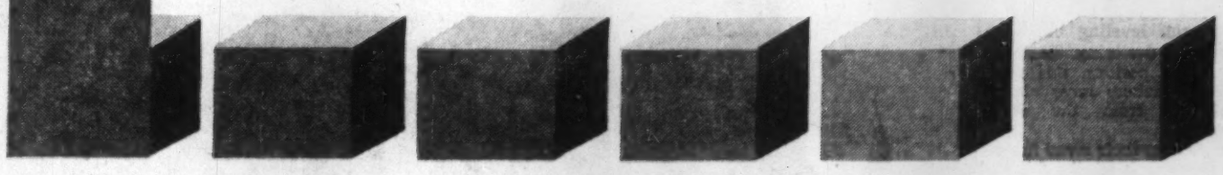
WORLD'S MOST EXPERIENCED AIRLINE

HOW BATHURST OPERATES TO SERVE YOU

FULLY INTEGRATED

Because BATHURST is integrated from the forest . . . through its pulp and paperboard mills . . . to its corrugated and wood products plants, it can and will serve YOU better! There are five corrugated products plants and two wood products plants at five strategic locations—Montreal, St. Laurent, Que., and Hamilton Toronto, Whitby, Ont.

Remember, you can ship anything . . . anywhere . . . in Bathurst Containers.



FROM FOREST TO PACKAGE

BATHURST POWER & PAPER COMPANY LIMITED

Principal Sales Offices: Montreal, Toronto, Hamilton
Container Plants, Corrugated Products: St. Laurent and Montreal, Que., and Toronto, Hamilton, Whitby, Ont.
Container Plants, Wood Products: Montreal, Que., and Toronto, Ont.
Pulp and Paperboard Mills: Bathurst, N.B.

Want to Start an Industry?

Second of a series of articles on the new trends that make the big step easier than you think . . .

By CLIFFORD FOWKE

Service and Giveaways

Cheap power, serviced land at cost, ready-made market surveys, tax concessions, cut rents, even financial help — these and more are waiting for the budding or expanding industrialist.

Why? Because in Canada today the most competitive industry is the one that has been organized to seek new industry.

It employs dozens of highly skilled executives from federal levels through to municipal and in scores of private companies.

It spends many millions of dollars annually on the job of checking possibilities, publicizing opportunities, interviewing prospects.

But it's a giveaway picture with a difference. The profits sought are indirect and mostly for community benefit.

And the giveaways vary tremendously in degree from the highly-geared government services in a hot market area like southern Ontario to concessionary rent, tax and power rates and cash loans in some other parts of the country.

There is no record of any Canadian community having gone to the extreme recently reported from Ireland where payment was offered plus cash loans to new industry settling there.

But there have been gimmicks and seriously thought-out aid schemes which showed the urgent desire of many smaller and market-distant centres for new industry.

One of the most interesting developments in the battle for new plants was that recently launched in Nova Scotia where the provincial government has set up a crown company, **Industrial Estates Ltd.** to develop sites, build factories, and lend *money to new secondary industry.*

It's easier than ever to start a new plant today —if you have a hot product idea and a good credit rating.

There are "package plans" aplenty to smooth out wrinkles for new enterprise.

This is the new trend among developers, designers, builders and suppliers — a trend aimed at boosting business and beating tight money.

This series by FP's construction industries editor tells how the plans work, how they can help you.

Another is the scheme put up to the Manitoba government by its counsellors, **Arthur D. Little Inc.** for a government lending agency to help small business and industrial projects.

Here, Little Inc. has done a wide series of market and industrial opportunity studies which have been published for the province, and Manitoba's Deputy Minister for Trade and Commerce, R. E. Grose, has won national recognition for the success of the Manitoba industrial growth campaign.

Provinces Organize

Every province in Canada has organized its resources in the battle for new industries, some more intensively than others.

Saskatchewan is holding a series of province-wide conferences to marshal large and small community action and interest.

Ontario, with provincial government backing, has set up nine regional areas with seven regional development associations already operating in them.

"Generally speaking," says Ontario's Trade and Industry Director A. V. Crate, "we have no giveaways but we are particularly strong on service to new and existing industry."

The Provincial Governments Trade and Industry Council, of which Tom Sturgess, deputy minister of the B.C. department of trade and industry, is this year's president, tackles industrial growth problems on a national scale.

Similar pressures are working in the U. S. Washington is now getting its strongest yet drive under way to provide special financing to help small business.

The Maine Legislature has passed an act empowering the state to insure mortgage loans on new industrial construction.

In the municipal field throughout North America and among private developers of industrial and commercial properties, the trend is similar.

In Quebec and some other Canadian provinces, an increasing number of municipalities are prepared to construct buildings and lease them to new private industry.

Certain private utilities are also prepared to sell blocks of power at low rates for a fixed period as well as provide buildings.

City Efforts

Most of the major cities in Canada have special sites laid out as industrial estates. One of the most recent examples of this is a scheme for Lethbridge, Alta. where the chamber of commerce and the local authority are co-operating to hammer out details for a planned industrial district.

Among inducements to industry which are being considered are special tax concessions, free water and sewage disposal, and establishment of "nursery" factories to let an industrialist test the location at minimum cost or provide cheap facilities to a new enterprise.

In private developments for industry there are also many examples where the developers have streamlined their operations as a service to the industrialist.

Success of these efforts has been pointed up by tremendous growth of such projects as that of **Grosvenor Estates** on Annacis Island, Vancouver, and **Slough Estates (Canada) Ltd.** at Ajax, near Toronto, both U.K.-sponsored enterprises.

Other projects of a like nature are those launched in Quebec Province by **Candiac Development Corp.** which envisages the creation of a new city of 50,000 people west of Laprairie and by **Ravenseft Properties (Montreal) Ltd.** which plans a new 10,000 community at Ville La Salle.

Scrap Metal Prices Down Again

Scrap price—living up to a reputation of the most mercurial performer in business today —have dropped again the fifth consecutive time since midsummer.

The current cut of $1 a ton across the board knocks top grades down a total of $20 a ton in the past year, or 37%. This brings scrap prices back to the levels prevailing 32 months ago, April 1955—$34 a ton for No. 1 heavy melting scrap.

The declining trend reflects three major conditions:

- A still slower pace in primary steel making operations in this country.
- Slumping scrap prices in Chicago, Detroit and Buffalo.
- The end of the current navigation season on the Great Lakes.

Scrap always represents a bit of a tug-of-war between dealers and steel makers with the export-import situation the leavening factor.

In the abnormally heavy steel demand situation last year the steel makers wanted more and more scrap and were willing, in view of healthy backlog of orders, to pay up sharply for it.

Prices climbed to a peak of $54 a ton for top grades last December.

With the leveling off, then subsequent declining trend, in new orders position this year, the steel makers have almost withdrawn from the scrap markets.

They claim their scrap inventory position is at the highest levels in several years.

On top of this the closing of Great Lakes navigation has virtually shut off for several months the major export outlets available to the scrap industry. This all adds up to increasing downward pressure on scrap prices.

The outlook—scrap could go anywhere from here. A sudden upsurge in steel orders after the turn of the year could quickly reverse the price trend.

If the current slower steel making pace continues into the new year chances are prices will dip still lower.

PUTTING MEANING INTO DEFENCE

SAFE— beneath the wings of the Maritime Air Command

Scenes like these were repeated thousands of times during the last war as coastal squadrons of the Royal Canadian Air Force did their part to keep the allied life-line intact.

That same spirit of dedication marks their modern successors, the Maritime Air Command. Today, when stakes are higher and potential enemy strengths far more devastating, MAC maintains a vigil that demands great courage, stamina and ability . . . watching over shipping . . . on the alert for submarines . . . always ready for search or rescue.

And Canadair is proud that the great new CL-28 hunter-attackers will be such an important factor in their task—adding a working range and striking power that puts a completely new meaning into defence—for the safety of the nation.

CL CANADAIR LIMITED, MONTREAL

• Aircraft • Research and Development • Guided Missiles • Nuclear Engineering

WHAT MAKES CHESSIE'S RAILROAD GROW?

One of a series telling what Chesapeake and Ohio is doing to make this a bigger, better railroad.

Since 1933 Chessie has become one of America's best-loved trademarks. Celebrating the Silver Anniversary of the Chessie Calendar, the 1958 C&O calendar will carry this happy birthday scene in full color. If you would like a copy (as long as the supply lasts), just write us.

Something new for Chessie

Wherever you look along Chesapeake and Ohio's 5,100 mile system, big things are happening.

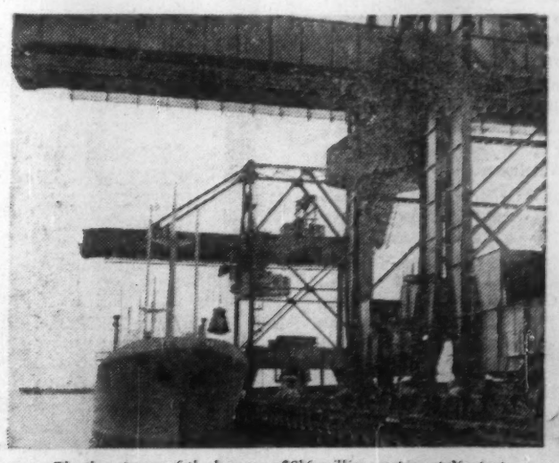
Newest for Chessie is the world's most modern bulk cargo unloading facility at Newport News, Virginia, just completed to speed the growing flow of import ores. On an average day this year, eleven hundred coal cars are emptied at Newport News into ships bound for coal-hungry Europe. Now, many of these are returning inland loaded with ore for America's steel and chemical industries.

Another big development is C&O's new Car Location Information Center—CLIC for short—which sorts and relays to all C&O traffic offices the system-wide teletype reports shippers need to maintain efficient production and merchandising schedules.

New automatic yards and signal systems help to speed freight on almost-passenger schedules. And mechanized track crews ceaselessly groom the roadway on a regular maintenance program that keeps Chesapeake and Ohio practically a new railroad.

New factories are sprouting in cornfields. New coal mines are opening up. And so that shippers will have them when they need them, thousands of new freight cars are being added to its present fleet of 95,300 as Chessie's railroad keeps growing and going.

Think of these things when you are routing a shipment or locating a new plant. They add up to fast, efficient transportation service and a railroad which keeps its thinking in tune with the future.



The three towers of the huge new $8½ million ore pier at Newport News can unload a 10,000 ton ship between breakfast and lunchtime.

Chesapeake and Ohio Railway

3814 Terminal Tower, Cleveland 1, Ohio or 157 King Street West, Chatham, Ontario
304 Canadian Pacific Express Building, Montreal, Quebec
402 Canadian Pacific Building, Toronto 1, Ontario

What's New

New products, new uses new ideas, new money-makers. We report them here and invite your contributions. Write to 481 University Ave., Toronto.

Robot Tax Calculator

Being used in the U. S.: a computer to keep tax books. Expected to save $500,000 per year for county of 5.5 million residents. Machine can read and write simultaneously at 60,000 digits per second, builder states. Can also do 1,000 multiplications and 4,000 additions, or make 5,000 comparisons in a second.

* * *

Wide-Range Meter

A trade water meter of extra wide range can measure over 500 to one with maximum inaccuracy of only 2%. Incorporates two separate meters, one for high and second for low-rate flows. Changeover is automatic and actuated by change in flow rate.

Built-in Soap

For early morning blues: a safety razor with built-in lather dispenser. Lather is injected into handle. Button controls flow to razor's edge.

* * *

Wonder Oven

On market: An electronic oven which may revolutionize cooking concepts. Measurement is by time only; not heat. Takes 6½ minutes for a cake compared with one hour in a standard model, makers claim. Prepares eggs in 30-40 seconds, and vegetables in five to eight minutes.

* * *

Super Hailer

For addressing crowds, meetings and playgrounds: A hailer with four-watt power output. This is 10 times power of most previous models, Canadian manufacturer claims. Is completely transistorized to improve reliability and increase battery life. Has bracket for cartop, desk, or mounting on building wall. Similar models also available.

* * *

Oxide Discharger

A mechanical oxide discharger that is designed to overcome many of the difficulties associated with oxide purification has been bought by one of Britain's National Coal Board's coking plants. Machine uses series of steel ploughs operated from revolving turntable to cut fouled oxide and propel it towards discharge opening, in place of manual picks and shovels used hitherfore. Device is now being ordered by area gas boards.

* * *

Sanitized Paint

One coating sanitizes walls and furniture for long periods, makers claim. Contains self-disinfecting germicidal agent. Available in white but can be tinted. Said to be completely non-toxic.

* * *

Bumper Pads

In production: Bumper pads for loading newsprint rolls at dockside. Made of polyurethane foam wedges and covered with vinyl-coated nylon case. Weigh about 35 lb. each.

ANNOUNCEMENT

Rejoins Thompson Firm

MISS MARY CARDON

Miss Mary Cardon, co-winner in June this year of the first-ever Woman of the Year award by the Federation of Canadian Advertising and Sales Clubs, will rejoin the J. Walter Thompson Company Limited next January 2 as Director of Media and Research for the Montreal Office. Prior to leaving J. W. T. in April of 1955, Miss Cardon had spent 25 years with the company. In making the announcement of Miss Cardon's return, General Manager William H. Erskine said she was largely responsible for organizing and building the Media and Research Departments in Montreal Office. Miss Cardon has an M.A. in Psychology from McGill University and has taught marketing research and advertising at Sir George Williams College.

ONE-PIECE TELEPHONE weighs less than the handpiece of many models in use today. See Streamlined Phone.

Streamlined Phone

No boarding house reach required for this telephone. Dial is located on underside of base. Measures 4½ in. by 3⅞ by 9¼ in. Concentration of components in chassis reduces electrical connections, terminals and soldering points by half. Manufacturer claims simplified design increases operating efficiency and voice reproduction. Cases available in six pastel shades.

* * *

Fuel De-Icer

Safety device to prevent icing of aircraft fuel during flight can detect five parts of water in one million of fuel on ground or in flight. Heaters are thrown into circuit at once if ice particles detected. Previously, color indicators were used on ground but these could not be employed when plane was airborne.

Answer To Rust

An anti-corrosive material based on asphaltic bitumen is claimed to equal 15 coats of paint. It can be applied to nonporous materials moist with dew, remains flexible under severe conditions and prolonged exposure, resists dilute acids and alkalis, is a good insulator and can stand 450 deg. F without running.

1,500 at Kodak To Split $800,000

Canadian Kodak Co.'s 1,500 employees will divide a wage dividend of $800,000, to be paid March 18, 1958.

Eligible employees will get $32 for each $1,000 earned in the five years 1953-57.

All persons with Kodak before Dec. 1, 1957, and at work the end of this year will get a bonus.

Last March the company distributed $738,000.

N.S. Christmas Tree Trade Threatened by U.S. Growth

From Our Own Correspondent

HALIFAX — Nova Scotia's $3 million Christmas tree industry was being threatened by stepped-up cultivation in New England, department of lands and forests officials warned in Halifax.

(See FP, Nov. 30.)

The director of extension with the department, Lloyd S. Hawboldt, said that only better quality trees could meet New England competition in increased production, improved production and shorter haul to market.

Under Mr. Hawboldt's direction, an extensive program was under way here in an effort to meet the growing competition.

Landowners and cutters were being urged to reduce wastage, to adopt stump culturing and over-all cultivation of balsam fir.

Without scientific measures, indications were that the province's Christmas tree industry would skid.

High quality was being stressed as the most important factor toward survival of the industry.

Nova Scotia shipped 3,400,000 balsam firs, valued at about $2,360,000 in 1956.

A decrease in shipments and returns was expected this year.

MAZE & HICKEY LTD.

CUSTOMS HOUSE BROKERS

EDMONTON — CALGARY

Consultants to major trans-Canadian oil and gas pipelines, petro chemical and petroleum industry imports, etc.

36 years customs and traffic management experience at your service.

R. M. MAZE, President W. R. HICKEY, Vice-President

We Invite Your Inquiries

Final registration date DEC. 31

PROFESSIONAL MEN PLEASE NOTE

To qualify for 1957 income tax deduction on your personal pension plan you must register before the end of this year. You may wait until February 20 before deciding the amount you wish to pay into the Plan. All that is required by December 31 is your formal registration with the Plan of your selection.

This is the way to file your registration. First ask for a booklet about the Montreal Trust Company Consolidated Pension Plan at any branch of The Royal Bank of Canada. The manager of the branch will gladly discuss with you the exceptional features of this Plan, and explain how it can be adapted to suit your precise requirements. He will help you decide on the various options available under the Plan, and arrange for your official application to be filed before December 31.

MONTREAL TRUST *Company*

MONTREAL • CALGARY • EDMONTON
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VICTORIA • WINNIPEG • SAINT JOHN, N.B.
REGINA • QUEBEC, P.Q. • LONDON, ENGLAND

CANADA'S INDUSTRIAL HEART

Where this 34 Year Old Westinghouse Worker Typifies Average Wage Earner in Ontario's Fastest Growing Major City *

Frank Cobb is a happy man. He has a young family, he lives in a comfortable home, drives a modern car and has held a secure job with Westinghouse for over 6 years. Like 83,161 other wage earners, Frank finds life really worthwhile in the "Ambitious City".

As well as being the home of Canadian Westinghouse and Frank Cobb, Hamilton is also the nation's *steel centre*, with two of Canada's four largest basic steel producers—The Steel Company of Canada and Dominion Foundries and Steel Limited—located in the City.

Much of Hamilton's industrial might was originally attracted by its great, natural harbor—a completely land-locked bay—which today handles the third largest tonnage of any Canadian port . . . ranking only behind Vancouver and Montreal.

Another unique feature of Hamilton is its saturated newspaper coverage. The Spectator is the daily newspaper serving Ontario's fastest growing major city—the *only* paper with saturation coverage of Metropolitan Hamilton; out of a close to 100,000 circulation, *over 79,000 papers are bought daily in Hamilton as compared with Metropolitan Hamilton's 79,000 homes.*

For complete advertising and marketing information, contact the HAMILTON SPECTATOR—one of the eight Southam Newspapers in Canada.

**Dominion Bureau of Statistics, 1956*

The Hamilton Spectator

Off to work . . . Frank Cobb dusts up his car, ready to drive six miles in to his job. 1956 car registrations in Metropolitan Hamilton totalled over 127,000.

Weekend shopping . . . a big adventure for 16 month old Raymond Cobb when he accompanies Frank and Dorothy to one of Hamilton's 44 ultra-modern supermarkets.

The comfortable Cobb home on the outskirts of Hamilton. Frank built the house himself, four years ago. Over 68% of houses in Hamilton are owner occupied.

Getting set for a shopping trip, Frank, Dorothy and Raymond scan the Hamilton Spectator for weekend specials.

Parliament's Business

By FP's OTTAWA STAFF

Spending Tax Dollars

OTTAWA (Staff) — In stop-and-go fashion, hare and tortoise style, Parliament is running through a legislative program that would be enough for a full session.

It is real test of wind and stamina for what was to be a short session devoted only to urgent business.

Campaign promises now fulfilled are: Higher social security pensions and cash advances to grain farmers.

Still to come: Tax cuts, new rules on closure, farm price supports and still other ways to spend the tax dollar.

At the beginning of the week, with just 19 sitting days left before Christmas, including Saturdays, Prime Minister Diefenbaker made the rest of his legislative plans public.

The complete list, some of which will have been dealt with by the end of this week:

Bill 15, to make a minor change in the French translation of the Criminal Code.

Bill 16, to provide a legislative basis for annual vacations with pay for federal employees and supervised industries.

Bill 26, to end a minor Alberta - Northwest Territories boundaries dispute.

Bill 35, to increase veterans pensions.

Bill 72, to allow Canadian shipowners additional tax benefits on shipbuilding and operating.

Bill 169, to stiffen rules on Canadian direction of insurance companies.

Bill 170, to ratify the tax treaty with Australia.

Resolutions to bring in a system of agricultural price supports under a fund of not more than $250 million.

A bill to increase salaries of two B. C. puisne judges and one Ontario county court judge.

To authorize CNR to (a) build a 52-mile branch line from Optic Lake to Chisel Lake in Manitoba to cost about $8,840,000, and (b) buy from **International Nickel** a 30-mile line near Mystery Lake for not more than $5,400,000.

To increase Export Credits Insurance Corp.'s power to insure foreign trade deals for up to a total of $200 million instead of $100 million.

To allow the Commissioner of the Northwest Territories to borrow or lend money for local territorial purposes.

To authorize finance department loans to the Hamilton Harbor Commissioners up to $40 million for dock facilities.

To up the $250 million fund under the National Housing Act used through **Central Mortgage & Housing Corp.** to $400 million, and to lower down payments needed on houses.

An increase in federal contributions to unemployment assistance (the .45 Program).

A bill to lend up to $30 million for New Brunswick's Beechwood power project.

Legislation to permit federal participation in the South Saskatchewan project.

An amendment to Parliament's rules on closure (limitation of debate).

Help for Atlantic Provinces, power development in general, and financial grants to bring provincial revenues to near the Canadian average.

"One or two taxation measures" dealing certainly with personal income tax; more problematically with other taxes.

An act to strengthen Indians' legal claims to reservation status.

A Citizenship Act amendment to give naturalized Canadians the same security of citizenship as the native-born.

A wholesale revision of the Succession Duty Act apparently to be renamed the Estate Tax Act.

Any Pet Ideas?

Any suggestions on how the Succession Duty Act should be amended?

Watch for first reading in Parliament of a bill to give the act a thorough revision; then, if your pet ideas haven't been included, let the minister of finance know.

This is the desire of the Conservative government. It hopes to introduce the long-awaited amending bill before the end of this session, though there's no chance of its getting any further. But first reading will make the bill public for consideration and comment.

One clear hint that Canada may adopt the "estates" principle: the prime minister spoke of the new act as the "Estates Act."

The legislation has been expected by estate counsellors and administrators for several years. Former Liberal Finance Minister Walter Harris sponsored the complete overhaul, which could not be completed in his time.

Insurance Act Changes Ahead

As reported in **FP** Nov. 30, first reading in the House of Commons has been given to a bill amending the Canadian and British Insurance Companies Act.

One amendment provides that a majority of all directors of any insurance company, whether life, fire or casualty, incorporated by Parliament, must be Canadian citizens ordinarily resident in Canada.

Two further amendments—one empowering directors to prevent transfer of shares from Canadians to non-Canadians and another enabling companies to mutualize — apply to life insurance companies only.

These last two amendments do not, as originally reported by **FP**, apply to all insurance companies, whether fire, life or casualty.

Extension Planned To N. B. Hospital

From Our Own Correspondent

NEWCASTLE, N.B. — The board of trustees of the Miramichi Hospital here heard recommendations of a special committee for building a wing to the hospital costing about $475,000.

This includes alterations to the present building.

The board also appointed J. R. G. Brander to investigate ways and means of financing the project.

The present building was erected in 1916 and presented to the county by the late Ernest Hutchison of Douglastown, N.B.

ON THE RECORD

The Progress of Measures Before Parliament (to Dec. 3)

House of Commons:

- Passed:
  - —Bill 171, extending the seasonal unemployment insurance benefits.
  - —Bill 18, authorizing increase in **British Columbia Telephone Co.** stock.
  - —Bill 29, to incorporate **Investors' Trust Co.**
  - —Bill 31, **Rio de Janeiro Tramway, Light & Power Co.** (Head office).
  - —Bill 32, **Sao Paulo Electric Co.** (Head office).
- Gave first reading to Bill 194, **Buffalo and Fort Erie Public Bridge Co.** (to straighten out the American impression the U. S. controls more than half the bridge).
- Approved a resolution to (A) pave the way for a bill to amend the 1954 National Housing Act, increase the $250 million fund for direct mortgage lending (now committed) to $400 million, and (B) lower down payments on houses.
- Approved a motion preceding a bill to authorize about $30 million in federal funds for New Brunswick's Beechwood power project.
- Debated a motion on unemployment in the auto industry.
- Talked out a CCF bill (No. 4, by Stanley Knowles, Winnipeg North Centre) to provide for a minimum wage law.

The Senate:

- Gave third reading to:
  - —The unemployment insurance benefit changes passed by the Commons.
  - —The **St. Mary's River Bridge Co.** bill (incorporation amendments).
  - —The **Buffalo and Fort Erie Bridge Co.** bill.
- Debated:
  - —The Throne speech.
  - —A motion to draw the Senate's attention to the need for increasing foreign trade.
- Royal assent was given to the changes affecting seasonal unemployment insurance.

Ike Sets Up Group Against 'Protectionist Influences'

(Special Correspondence)

WASHINGTON—A Cabinet-level watchdog group has been set up to fight off protectionist influence on U. S. trade policy.

President Eisenhower has named a special seven-man committee of cabinet members to help him map out trade policy and spearhead through the coming session of Congress a renewal of the Reciprocal Trade Agreements Act.

This act is the cornerstone of all U. S. trade policy and the protectionists have launched a major campaign to defeat the measure in the next Congress.

Commerce Secretary Sinclair Weeks is chairman of the group and its members include Secretary of State Dulles, Treasury Secretary Anderson, Defense Secretary McElroy, Interior Secretary Seaton, Agriculture Secretary Benson and Labor Secretary Mitchell.

The committee as a whole and probably its members individually will trek up to Capitol Hill this winter to plead for an extension of the Reciprocal Trade Agreements Act which runs out June 30, 1958.

This law gives the president authority to make agreements with other countries, allows U. S. membership (by executive interpretation of the law) in the General Agreement on Tariffs and Trade and is aimed at lower tariffs and reducing other trade barriers in exchange for similar action by other nations.

Mr. Eisenhower's appointment of this watchdog trade committee is designed to undercut rising protectionist criticism.

The committee will have three specific jobs to do in addition to spreading influence for renewal of the trade law. Its other jobs will include:

- Advising the president on what actions to take in so-called "escape clause" cases. These are cases in which the Tariff Commission recommends higher duties and the president must decide whether or not to okay the recommendation.
- Recommending policy changes in the new trade law.
- Review recommendations on administration of the reciprocal trade agreements program.

President's Plan

What the president seems to be trying to do by setting up this cabinet-level trade watchdog committee is to spread responsibility for the trade program beyond the White House and state department.

The protectionists frequently harp on the point that certain groups in the White House and state department figure out trade policy, usually to the detriment of domestic industry.

By having seven cabinet members now responsible for working out trade policy, this cuts much of the ground out from under the protectionist argument.

At the same time, however, domestic influences will play a bigger role than ever before in determining trade policy and this could lead to a policy that is not as "liberal" as it has been in the past.

Time, and this coming session of Congress, will tell if the cabinet committee approach to trade legislation maintains or lessens the "liberality" of Eisenhower's traditional trade policy.

There is certainly no chance of it widening that "liberality."

In a statement issued this past week, Committee Chairman Weeks said: "A major objective of the new cabinet committee will be to strengthen the economy through the sound and vigorous development of world trade.

"International trade is not something apart from industry or a substitute for it.

"Rather, it is a projection and an aid to industry and commerce.

"Hence, its healthy development both safeguards the nations' economy from weakening influences and provides increasing opportunities for expanded business and employment.

"Instead of creating hazards to domestic business, its power development strengthens the economy and thereby helps all business and those employed by business."

Professor Honored

The Engineering Institute of Canada has announced establishment of a medal to perpetuate the memory of Robert W. Angus, professor emeritus of mechanical engineering at University of Toronto.

Prof. Angus, 83, lives in retirement in Toronto after a long and distinguished career.

The medal will be awarded for the best paper each year written on a mechanical engineering subject by an engineer resident in Canada.

Prof. Angus graduated from U. of T. in 1896 and shortly thereafter established mechanical engineering as a separate department of the university.

Creation of the medal has been made possible by two brothers, H. G. Thompson, Brockville, Ont., and W. L. Thompson, Toronto, both former pupils of Prof. Angus.

ANNOUNCEMENT

CARLING APPOINTMENT

R. G. BLACK, B.S.A.

whose appointment as head brewer at Carling Breweries' Montreal plant has been announced by W. R. Foster, general manager. Mr. Black joined the organization in June, 1948, after graduating from Ontario Agricultural College. In 1954 he was awarded the degree of Diploma Member of the British Institute of Brewing.

Prior to his present appointment, he was head brewer at the Carling's Draught Plant in Toronto.

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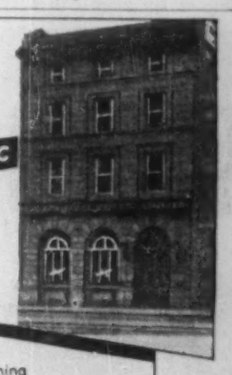

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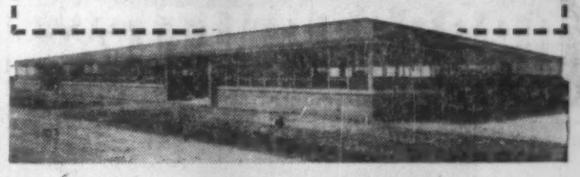

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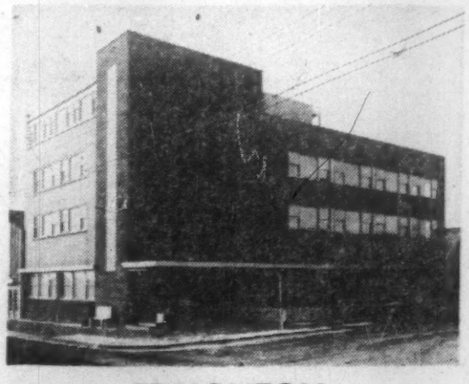

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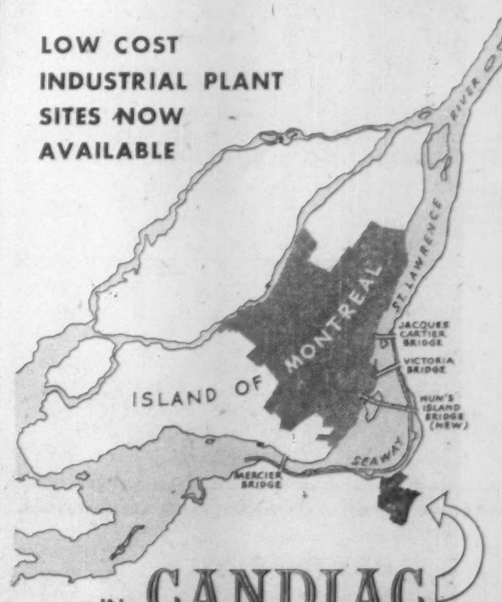

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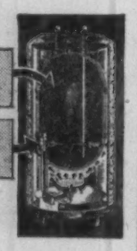

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British Motor Corp. (Toronto) — Sidney Marshal, general manager, Ontario Austin Distributorship.

Canada and Dominion Sugar Co. (Chatham, Ont.)—E. J. Faust, to be general sales manager.

Canada Permanent Trust Co. (Toronto)—W. Leo Knowlton, Q.C., general manager, to be a director.

Canadian Bank of Commerce (Toronto) — William M. Currie, regional superintendent-Manitoba and Saskatchewan, to be an assistant general manager, in charge that region, headquarters, Winnipeg.

Canadian Westinghouse Co. (Hamilton)—E. H. Tovee, director quality control.

Collyer Advertising Ltd. (Montreal)—Arthur G. Pinard to be a director and consultant on executive staff.

Consolidated Paper Corp. (Montreal)—Henry G. Birks, president Henry Birks & Sons Ltd., director Bank of Montreal, etc., a director.

Dow Chemical of Canada Ltd. (Toronto) — Leo A. MacDonald, on staff of Calgary sales office, responsible for inside sales of all Dow products.

Electric Tamper & Equipment Co. of Canada (Lachine, Que.)—K. C. Hague, vice-president sales, and J. R. Kirkwood, general sales manager, both at head office; J. G. Kirby, manager, Ontario district, headquarters, Toronto.

Ferro Enamels (Canada) Ltd. (Oakville, Ont.) — Wilfrid Mavor, president to be chairman; E. A. McDonald, executive vice-president, to be president.

B. V. ELLIOT, Q.C.

of Toronto law firm, Borden, Elliot, Kelley, Palmer & Sankey and general counsel of the company has been elected a director of AMF Atomics (Canada) Ltd.

Great-West Life Assurance Co. (Winnipeg) — A. C. Mussellam, district manager, Penticton, B.C.

Hudson's Bay Oil and Gas Co. (Calgary)—L. J. Richards and H. W. Blauvelt, senior vice-presidents; K. H. Burgis, financial vice-president.

Imperial Bank of Canada (Toronto)—A. S. de Rosenroll, supervisor, new oil and gas department, Calgary; W. J. Douglas succeeds Mr. de Rosenroll, as manager, Calgary main branch.

W. J. Lee Construction Ltd. (Lorne Park, Ont.)—T. Pickles, estimator and general superintendent.

Liquid Carbonic Canadian Corp. (Mount Royal, Que.) — Anton Chiperzak, vice-president engineering; same position, Imperial Oxygen Ltd. J. Howard Pope, Ontario manager, and George C. Morrison, secretary-treasurer both companies.

A. E. Le Page Ltd. (Toronto)—M. J. Kelly, vice-president and director, Dominion Malting Co., a director.

London Life Insurance Co. (London, Ont.)—C. A. Naylor, group actuary, succeeding the late G. S. Bere; M. C. Pryce associate actuary, assuming duties previously carried by R. E. Munro whose enlarged field of administration, was recently announced.

Melchers Distilleries Ltd. (Montreal)—M. A. Mercer, representative, Toronto area.

Montreal Trust Co. (Montreal)—W. B. Walker, manager stock transfer department, Montreal.

Provincial Bank of Canada (Montreal) — Ignace Brouillet, professional engineer and Hon. J. Olier Renaud, Q.C., both of Montreal, to be directors; Leo Lavoie, formerly assistant general manager, to be general manager.

Plymouth Cordage Co. of Canada (Welland, Ont.)—James E. Thomson, assistant sales manager, headquarters Toronto; Murray Morrison, Quebec district manager, headquarters, Montreal; Bruce Taylor, sales representative, Quebec district.

Public Relations Society of America—Leonard L. Knott, president Editorial Associates, Montreal and Calgary, to be director.

Quaker Oats Co. of Canada (Peterborough, Ont.)—Reg. R. Faryon, president, to be chairman; James G. Wharry, vice-pres. and general manager, to be president; Fred G. Ash, vice-pres. and assistant general manager, to be executive vice-president.

Robertshaw-Fulton Controls (Canada) Ltd. (Toronto) — James C. McCannell, sales manager, domestic and commercial cooking controls; Eric E. Denman, sales manager, water heating and furnace controls.

Laura Secord Candy Shops Ltd. (Toronto) — J. Raoul Bourassa, president Noé Bourassa Ltd., to be director.

Steinberg's Ltd. (Montreal) — William Sherman, vice-president, construction; Morgan McCammon, secretary and general solicitor; Max Steinberg, a vice-president.

J. Walter Thompson Co. (Montreal)—Joseph P. Foran, transferred from Detroit office to Toronto as senior account representative; Miss Mary Cardon, rejoins company as director, of media and research, at Montreal office.

Thompson Products Ltd. (St. Catharines, Ont.)—Russell S. Kenerson, vice-president, operations.

Trans-Canada Pipe Lines Ltd. (Calgary)—R. A. Brown, Jr., president and managing director, Home Oil Co. etc., to be a director.

Turnbull Elevator Co. (Toronto)—D. R. Hughson, manager newly formed Hangar Door Division.

West Disinfecting Co. (Montreal)—James B. Hagan, Dominion sales manager.

Westeel Products Ltd. (Toronto)—F. W. Jones, Dean of School of Business Administration, University of Western Ontario, to be a director, succeeding J. H. Riley, resigned.

N.B. is Winning Budworm Fight

From Our Own Correspondent

SAINT JOHN — Two and one-half million acres of valuable N.B. timber stands will be sprayed in 1958 to help protect the trees from the ravages of the spruce budworm.

This is about half the acreage sprayed during the 1957 operations.

Premier Hugh John Flemming said the present budworm situation in the province is the most encouraging in six years of forest spraying.

Entomologists are forecasting for next summer the lowest budworm population in most of northern N.B. since the late 1940s.

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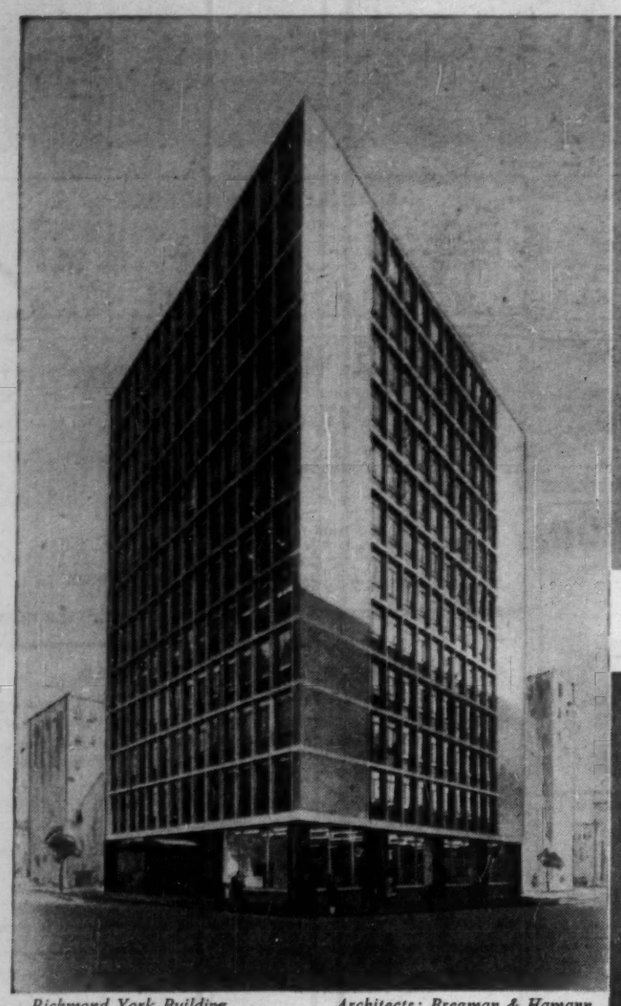

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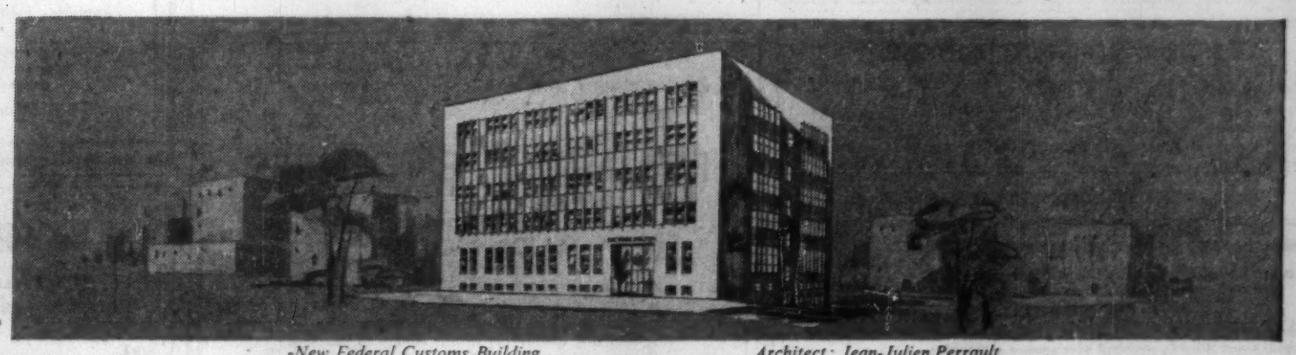

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1958

How Will You Fare?

A Special Report

Decision-makers in business and industry are now more concerned than ever with the answer to the big question: What is the outlook?

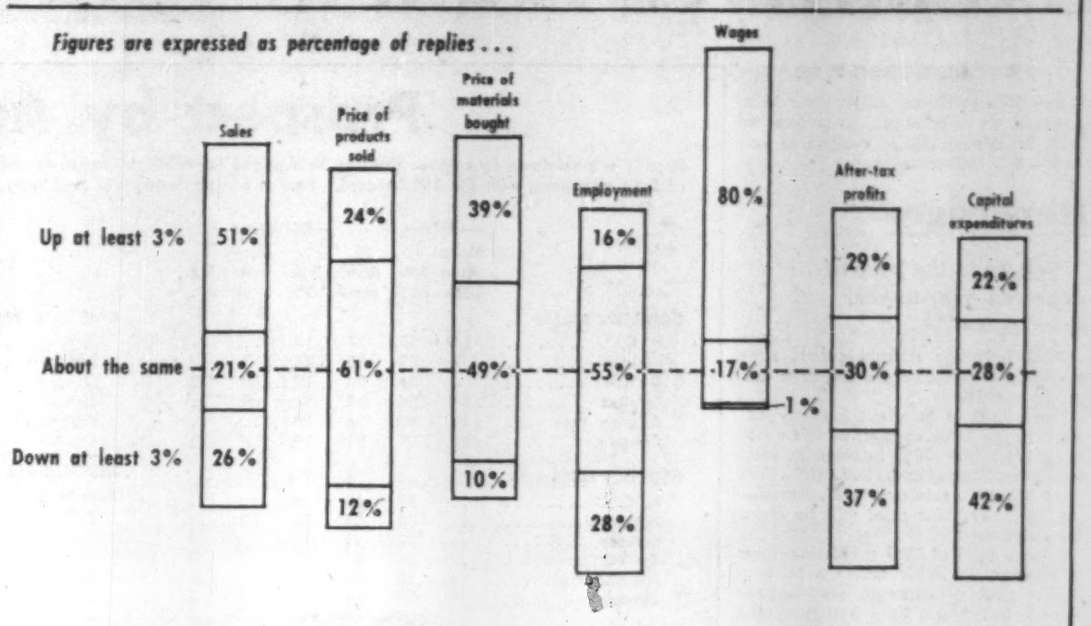
Here FP presents an industry-by-industry summary of what top executives in many of Canada's leading firms expect for their own companies in 1958.

- **Firms forecasting sales gains are twice as numerous as those predicting declines.**
- **Majority look for little change in selling price of products.**
- **Wages likely to be up at least 3% say four out of five executives.**
- **Not much change in size of work force in half of all reporting companies.**
- **Only one in three executives expects lower profits, others say same as in 1957 or higher.**

Right now it looks as though 1958 will be at least as satisfactory a year as 1957 for most key companies. However, some firms, in some industries, will find it a year of readjustment.

Here's Executives' View of 1958

Figures are expressed as percentage of replies . . .



All bars do not add up to 100% because percentage of executives making no estimate is not shown.

Iron & Steel

"Three-fifths of all companies expect 1958 sales will be below 1957 levels."

Pace in iron and steel in 1958 is likely to be slower than that expected for the closing six months of 1957, the jumping-off point for next year's business.

Executives in the industry have also revised downward their mid-1957 estimates of sales for the full year 1958.

But primary producers and fabricators of iron and steel products are by no means unanimous in predicting lower sales for next year.

While almost three fifths of all companies expect 1958 sales will be below 1957 levels, one-fifth look for about the same volume and the remaining one fifth predict their sales will be at least 3% higher.

Six months ago, over half of those companies making predictions about 1958 sales expected at least a 3% gain over 1957 levels. Just over one quarter thought there would be a decrease of at least 3%. Remainder looked for no change.

Today, these same forecasters are less optimistic. One quarter think sales will be up at least 3%, while over one half look for a decline of at least 3%. Remainder expect no change from 1957 sales.

Profit predictions, while following the general pattern of sales expectations, are somewhat more buoyant.

In detail: 12% of companies predict a more-than-10% increase; 18% forecast a 3% to 10% increase; 9% think 1958 profits will be about the same as those this year. Some 24% look for a 3% to 10% decline and 30% expect a greater-than-10% drop.

Here are other highlights of forecasts in this industry:

Prices. More than half of the executives reporting say the prices of the products sold by their companies will be 3% to 10% higher in 1958. Most of the remainder think prices will be stable, although a few look for a slight decline in their firms.

There is a similar distribution of opinion about the prices next year of materials bought by these firms.

This seems to mark a tapering off of price increases. At mid-1957, three quarters of all executives expected last half 1957 prices to be at least 3% higher than those in last-half 1958.

Employment. Currently about 9% think there will be a 3% to 10% increase in the numbers working in their companies. Some 42% expect number on their payroll to be about the same; 28% look for a 3% to 10% decrease; 21% for a more-than-10% drop.

Capital spending. Less than one third of industry executives think there will be an increase in expenditures on new plant and equipment in their firms. Exactly one third say their companies will be spending about the same in 1958 as in 1957. More than one third look for a decline, with the bulk of these predicting a more-than-10% drop.

Wage rates. Only 3% of reporting executives think wage rates in their firms will be up more than 10% in 1958, but 79% look for 3% to 10% increases. Remainder thought rates would remain about the same or would not make predictions.

Inventories. Pattern here shows that on the whole only a few companies expect to build up inventories. Less than one third think next year's level of inventories will be about the same. Almost two thirds say their inventory holdings will be down—half of these say down 3% to 10%; half say down more than 10%.

Construction

"More than half of the companies think 1958 net profits will be lower."

Majority of executives in the construction and building materials industry look for little change in sales, price of products sold or in employment over the coming year.

About 56% of executives expect the dollar value of 1958 sales to be about the same. Some 11% look for a 3%-10% increase; 22% for a 3%-10% decrease; 11% for a more-than-10% decline.

This represents little change from expectations last-half 1957 vs. last-half 1956. But it does represent a modification of 1958 sales outlook formed at mid-year 1957.

Of executives who made 1958 sales predictions at mid-1957, three out of five looked for a 3%-10% gain over 1957; other two of every five for little change. Today, only one in each of these five expects a 3%-10% increase; other four expect little change or some decrease.

More than half of the companies think 1958 net profits will be lower than those of 1957.

In detail: 44% predict their profits will be about the same as 1957's. Some 45% look for a 3%-10% decline. Remaining 11% expect a more-than-10% decline next year.

Other predictions in the construction industry:

Prices. Price of the products sold by their firms will stay about the same next year, say 78% of the executives reporting. Opinion of the remainder is split evenly: 11% expect a 3%-10% price increase; 11% look for a 3%-10% decrease.

In 56% of construction firms, executives expect a 3%-10% increase in the price of materials they buy. Some 22% believe these prices will remain about the same and another 22% look for a 3%-10% decrease.

Employment. In this industry two thirds of all executives say number of workers in their companies will stay about the same. Remaining one-third expect a 3%-10% decline in numbers employed.

Wage rates. Four in every five executives forecast a 3%-10% hike in wage rates over the coming year. Remaining one of each five expects relative stability in pay rates.

Capital spending. Expenditures on new plant and equipment by the construction industry next year is likely to decrease, in total.

Some 22% of executives say their companies' spending will stay about the same. Another 22% expect a 3%-10% decline from 1957 spending. Remainder, well over half of all construction industry executives, say their spending will be at least 10% smaller than in 1957.

Inventories. A good majority of executives expect 1958 inventories to vary little from 1957 levels. Remainder predict some decrease.

Public Utilities

"Total of 94% of companies forecast bigger sales in 1958."

Steadily increasing demand from industrial and domestic consumers for the services and products of public utilities is forecast by executives in these organizations.

Close to 70% predict a 3%-10% increase in the dollar value of utility revenues in 1958. Some 24% look for a more-than-10% increase. This means a total of 94% of companies forecast bigger sales in 1958 and only 6% expect a modest decline.

This is in line with the pattern of year-to-year gains made over recent years. It also confirms 1958 sales expectations formulated at mid-year 1957.

Opinion about after-tax profits in 1958, however, is less unanimous.

In 12% of the companies polled, executives say their profits will be up more than 10%. Some 34% of companies expect a 3%-10% increase. About 18% look for no change in profits. Some 24% think a 3%-10% decline is ahead for their organizations and 12% look for a more-than-10% drop.

Other highlights:

Prices. Executives in about one-quarter of all utility organizations say price increases of at least 3% will be in order next year. But two-thirds of company spokesmen believe prices to consumers will be about the same next year as they have been this year. Remainder look for modest price declines.

Price of materials bought by utilities will remain about the same, say executives in three out of every five organizations. Remaining two of every five think 3%-10% increases are likely.

Employment. With steadily increasing expansion of utility services, outlook for employment expansion is brighter in this industry than in several others.

Executives in 6% of firms look for a more-than-10% increase in numbers employed over the coming year. Some 29% predict a 3%-10% increase; about 60% look for little change and only a very small percentage expect any decline.

Wage rates. Executives are almost unanimous in predicting 3%-10% wage rate increases next year. About 95% foresee increases of this proportion for their organizations. Only 5% think 1958 rates will be about the same as those of 1957.

Capital spending. Opinion is fairly evenly divided about next year's trend in capital spending.

About one-third of company executives say their firms will spend at least 3% more than in 1957 on new plant and equipment. Most of this group look for a more-than-10% increase over 1957.

One-third of the organizations say their spending for expansion in 1958 will be about the same as it was in 1957. Remaining third say their spending will be at least 3% lower next year.

Pulp & Paper

"Current predictions of 1958 gains not as substantial as those forecast at mid-year 1957."

Next year's pulp and paper sales both in Canada and abroad are likely to show fair increases over this year's.

But current predictions of 1958 gains to be made by the industry are not as substantial as those forecast at mid-year 1957.

This continues a scaling-down process that began around the middle of this year when estimates of 1957 advances over 1956 sales were revised downward.

Currently, 47% of the executives say their companies' sales in Canada will run 3%-10% higher than those made in 1957. Some 32% say no change from 1957. About 11% look for a 3%-10% decline in domestic sales: 5% for a more-than-10% drop. Another 5% made no predictions.

About export sales, 21% predict a more-than-10% increase; 11% a 3%-10% gain. Another 21% say no change in sales abroad as far as their companies are concerned; 4% look for a more-than-10% drop. Remaining 21% either do not serve the export market or did not want to forecast.

Over-all sales outlook has been modified since mid-1957. Of those executives who made 1958 sales predictions at mid-1957, 33% looked for a more-than-10% gain over 1957; 44% foresaw a 3%-10% increase; 23%, no change.

Today, of these same executives, two of every three say 1958 sales will be 3%-10% higher; remaining one of each three says no change.

In many pulp and paper companies, profits will be squeezed next year.

Estimates for 1958 show: 21% predicting a more-than-10% increase in profits over 1957; 10% looking for a 3%-10% gain; 27% saying no change—and 42% forecasting a 3%-10% decline in profits.

Other highlights:

Prices. Higher prices of materials bought by pulp and paper companies help account for lower profit expectations.

Three of every five executives expect materials prices to run 3%-10% higher in 1958. Remaining two of each five expect no change.

At the moment it appears that not all of the higher materials prices will be passed on to buyers of the industry's products.

Some 21% of executives say their firms anticipate a 3%-10% increase in the price of products they will be selling in 1958. Only 5% expect lower selling prices while a good majority, 63%, say no price changes ahead for next year. Some 10% did not make predictions.

Employment. Over-all employment in the pulp and paper industry may dip slightly next year.

While some 12% of the companies expect a 3%-10% increase in numbers employed, this appears likely to be more than offset by the fact 41% expect a 3%-10% decline and 11% a more-than-10% drop. Some 37% of companies anticipate no change in the size of their labor force.

Wage rates. Higher wage rate expectations also help account for predictions of somewhat lower profits.

Seven out of 10 companies predict their 1958 wage rates will be 3%-10% higher than in 1957. Remaining three of every 10, however, look for no real change.

Capital spending. Industry spending on new plant and equipment appears to be on the decline. This year-to-year decrease contrasts with year-to-year increases over the past few years.

Spending plans vary from company to company. But it now looks as though more-than-10% increases in 16% of the industry will be more than offset by more-than-10% decreases in some 57% of all companies. (Remaining companies look for little or no change from this year's total spending.)

Inventories. On average, industry inventories of all kinds are, in 1958, likely to be about the same as in 1957 or somewhat lower.

Oil

"Growth in net profit comparable to expected substantial growth in sales unlikely."

Most oil industry executives expect 1958 sales to show substantial gains over those in 1957. Only about one in seven forecasts no change from this year. None expects a decline.

Some 13% of oil company executives polled expect their firms' sales next year to be up at least 10%. About 72% look for a 3%-10% increase. Remaining 15% think sales will be about the same.

This represents only a modest scaling down of the very optimistic forecasts about 1958 sales made at mid-year 1957.

At that time more executives had expected the increases to be greater than 10%. Many of these now think the year-to-year gain will be between 3% and 10%.

Possibility of growth in net profit comparable to expected substantial growth in sales appears unlikely.

About 13% of executives say their firms' profits are going to be up at least 10% and 15% of executives predict a 3%-10% increase. Majority, 58%, expect little change from this year and 14% forecast a 3%-10% decline from 1957.

Other highlights:

Prices. No increase in the price of most products sold by oil companies appears likely. Some 71% of oil company executives expect no change in the price of their products. Some 29% look for a 3%-10% decrease.

On materials bought by oil companies, three of every five executives expect no change from 1957 prices; two of each five say there may be a 3%-10% increase.

Employment. Labor force will be up 3%-10% say just under one-third of oil company executives. Majority, 56% expect little change in numbers employed. Remaining 14% look for a 3%-10% decline in their companies.

Wage rates. Three of every five companies expect a 3%-10% wage rate boost next year; remaining two say there will be little change in pay scales in their companies.

Capital spending. Just under a third of the companies will boost their capital spending by at least 10% next year. Similar group will keep spending about the same or increase it slightly. More than one third will cut spending on new plant and equipment by at least 3% from 1957 totals.

Inventories. Majority of companies say 1958 inventories of all sorts will show little change from 1957 levels. Among the remainder, opinion is split evenly. Some say up slightly, others predict down slightly.

Food

"Substantially improved sales in 1958, but some squeeze on profits."

Food processors expect substantially improved sales in 1958.

Executives in 6% of food firms predict a more-than-10% increase in dollar value of sales while 65% look for a 3%-10% gain. Some 18% think their sales next year will be about the same while only 11% say their company's sales will be down 3%-10% in 1958.

This represents only a slight downward modification from 1958 sales levels predicted at mid-year 1957. Of those who have altered their outlook, most have dropped their expectations from the more-than-10% increase category to the 3%-10% increase group.

On the whole, year-to-year gains in sales next year will be of the same order as those over the past few years—although in a few individual cases the pattern may be altered and some decreases take place.

Some squeezing of profit margins, however, appears likely.

After tax net profits, say 24% of the executives, will be up 3%-10%. Some 47% expect profits in their companies will be about the same.

Of the remaining 29%, 11% look for a 3%-11% decline in their companies' profits; 6% predict a more-than-10% decrease; 12% would not make estimates.

This contrasts with the rate of profit increase in 1957. At mid-year well over half of all executives predicted last-half 1957 sales would be at least 3% higher than those in last half 1956.

Other highlights:

Prices. Almost half of reporting executives think their prices will remain about the same. Only one quarter expect price increases of the order of 3%-10%. Remaining quarter look for price decreases, in most cases only modest declines.

About one-half of those making estimates of the prices of products they buy expect modest price increases. Most of the remainder look for stable or slightly declining material costs.

Employment. Some 71% of food company executives think their labor force will remain fairly constant in number. Some 11% look for a 3%-10% increase in number of workers; 18% foresee a 3%-10% decline.

Wage rates. In 88% of food firms, executives think 3%-10% wage increases are likely in 1958. Some 6% look for still-larger pay hikes; remaining 6% expect little change.

Capital spending. 47% think their spending on new plant and equipment will be about the same as in 1957; 12% foresee a more-than-10% increase; remainder look for declines or would not make estimates.

Inventories. On the whole, four out

(Continued on page 26)

Check List of the Trends

(Figures are percentages of executives reporting.)

	Up		About the same	Down	
	More than 10%	3%-10%		3%-10%	More than 10%
Sales (in dollars)	10	41	21	19	7
Prices	1	23	61	9	3
Costs (materials)	..	39	49	9	1
Employment	1	15	55	23	5
Wage rates	2	78	17	1	..
Net profit after taxes	11	18	30	22	15
Capital expenditures	15	7	28	10	32

(All lines do not add up to 100% because percentage of executives making no estimate is not shown.)

Executives Look at 1958 Business

(CONTINUED FROM P. 25)

of five food producers think their 1958 inventories will be about the same as in 1957. Remaining one of every five expects a 3%-10% increase.

Beverages

"Pick-up in the pace of expected year-to-year sales gains."

Most beverage makers expect substantially improved sales and after-tax profits in 1958.

Some 13% of beverage industry executives say their companies will chalk up a more-than-10% increase in sales next year. Bulk of executives, 63%, look for a 3%-10% gain over 1957. Remaining 24% say their sales will be about the same.

With a total of 76% predicting gains of at least 3%, this marks a pick-up in the pace of expected year-to-year sales gains. About 66% had predicted a 3%-10% gain for last-half 1957 over last-half of 1956 and none had looked for a larger increase.

This year-to-year pick-up had, however, been anticipated six months ago. Current expectations about 1958 sales confirm those formulated about the coming year during the past summer.

Predictions of higher sales are paralleled in two-thirds of the beverage industry by forecasts of substantial gains in after-tax profits.

In detail: 13% of beverage industry executives foresee a more-than-10% increase in profits next year; 50% look for a 3%-10% increase. Some 25% expect 1958 net profit to be about the same as in 1957. Only 12% predict a 3%-10% decline for their companies' profits.

Other highlights of beverage industry forecasts:

Prices. Exactly half of industry executives foresee relative stability in their selling prices. About 37% predict a 3%-10% increase while the remainder did not make an estimate.

Looking at the price of materials bought, half of all executives expect a 3%-10% increase. One-quarter look for price stability and the other one-quarter predict a 3%-10% drop.

Employment. Almost 90% of reporting firms expect the number of workers they will employ during 1958 to be about the same as now. Remaining 10% foresee a 3%-10% shrinking in their labor force.

Wage rates. Company executives are unanimous in predicting a hike in wage rates. Only differences are in how large it will be.

Currently, 87% of executives think their companies will be paying 3%-10% higher wages. Remaining 13% look for a more-than-10% increase.

Capital spending. About 13% of executives say their firms will be spending at least 10% more on new plant and equipment next year than they did this year. Most, 62% expect new spending will be about the same as in 1957. Remaining 25% expect a more-than-10% decline from 1957 levels.

Inventories. On the whole, most beverage companies will keep inventory levels next year close to those maintained this year. In a few individual cases, however, a higher level will be maintained to facilitate higher expected sales.

Textiles

"Optimistic outlook for sales has led to brighter profit predictions."

Sales, employment and profit outlook in the textile industry is more optimistic than at almost any point in the past several years.

Over 60% of industry executives expect 1958 sales will be at least 3% higher than in 1958. About one third of this group predict increases of more than 10%.

Some 17% of executives say sales in their companies will be about the same in 1958 as they were in 1957. About 24% look for a 3%-10% decline.

These forecasts of 1958 sales confirm those made by industry executives at mid-year 1957.

The optimistic outlook for next year's sales—coupled with an expectation of relatively stable prices and costs—has led to brighter profit predictions.

Estimates of after-tax profits in 1958 show: 34% of executives anticipate more-than-10% increase; 9% look for a 3%-12% increase; 33% expect little change from 1957 profit levels; 17% foresee a 3%-10% decline; 7% expect a more-than-10% drop.

Other trends predicted:

Prices. With few exceptions, prices of goods sold by textile companies next year will be the same as in 1957 or lower.

Over half of textile companies polled, 58%, say their products will show little change in 1958. Some 34% forecast a 3%-10% decline. Only 8% of executives say their firms will be charging between 3%-10% more than in 1957.

Somewhat similar opinions are held about the price of materials bought by textile organizations. About 67% of executives say there will be no change; 25% look for some decline and only 8% anticipate a 3%-10% increase.

Employment in the textile industry appears likely to increase in 1958, according to the replies of industry executives.

Some 42% of executives currently think numbers employed by their companies in 1958 will be 3%-10% greater than in 1957. About half of reporting executives say there will be little change in number of workers in their firms. Remaining 8% look for a 3%-10% decline.

Wage rates. Increases of 3%-10% ahead say two thirds of company spokesmen. Remaining third expect little change in wage rates in their firms.

Capital spending. Half of all executives say spending for expansion in their organizations next year will be about the same as it was in 1957. Some 16% say their spending will be up by at least 10%. Remaining 18% expect a 3%-10% decline from the total of such expenditures in 1957.

Inventories. Firm majority expect 1958 inventories held will be about the same as those maintained in 1957. Rest think a 3%-10% increase will be in order.

Merchandising

"Most executives expect 1958 product prices little changed from those now prevailing."

Executives in merchandising firms are, on the whole, fairly bullish about sales prospects for 1958.

Well over half of all executives in companies polled look for sales increases of at least 3%. About 23% say their 1958 sales will be almost unchanged from those in 1957. Only 18% anticipate moderate declines.

These predictions tend to confirm those made about 1958 sales at mid-1957, although a few firms predicting more-than-10% gains now look for 3% to 10% increases and a few who had expected little change now predict a slight decline.

Several company spokesmen point out that higher sales for their organizations will result from the opening of a number of new retail outlets now under construction rather than from increased volume in already-established stores.

With prices thought likely to remain relatively steady through 1958, larger sales by merchandisers will represent real gains, say company officials.

Some 5% of merchandising companies expect 1958 after-tax profits to be up at least 10% over 1957. Another 23% predict increases of 3% to 10% for their companies.

Largest single group of executive opinion, 49% looked for little change from 1957 profits. Some 14% expect a 3% to 10% decline and 9% predict a decline of more than 10%.

Other highlights of forecasts made by merchandising executives:

Prices. Most executives expect 1958 prices for the products they sell to be little changed from those now prevailing.

About 86% of executives polled expect their companies will not make any important changes in product prices. Only 9% predicted increases—and none of these advances would be over 10%. About 5% did not make any estimates of price trends.

Estimates for 1958 of the price of materials bought by merchandisers show: 23% look for a 3% to 10% increase; 54% expect little or no change; 9% anticipate a 3% to 10% decline; 14% would not make predictions.

Employment. Five per cent of executives did not forecast employment in their companies in 1958. But 18% predict a 3% to 10% increase in numbers employed; 54% look for little change in their labor force; 23% expect a 3% to 10% decline.

Wage rates. A little more than half of all executives expect 1958 wage rates in their organizations to be 3% to 10% higher than in 1957. Remainder anticipate no real change.

Capital spending: Five per cent expect a more-than-10% increase over 1957 spending; 18% look for a 3% to 10% increase; 27% no change; 28% a more-than-10% decrease; 22% no estimate.

Inventories. Most merchandising executives did not make predictions here. Of those who did, most thought their 1958 inventories would be about the same as those held in 1957 and of the remainder, some looked for slight increases, others forecast slight decreases.

Miscellaneous

"Majority look for little change in numbers to be employed in 1958."

In total, chemical, drug, rubber, tobacco companies, mining firms, aircraft manufacturers and other companies in the miscellaneous category expect the pace of activities in 1958 to be satisfactory, if not chalking up year-to-year gains as large as those made in 1957.

Some 13% look for a more-than-10% increase in 1958 sales, as against those made in 1957; 28% predict a 3%-10% increase; 18% think sales will be about the same.

Taking some of the edge off total gains in the group: 25% of executives reporting expect a 3%-10% decline in 1958 sales while 13% look for a more-than-10% easing. Only 3% did not make estimates.

Of the companies which sell abroad, a very similar pattern of sales expectations occurs.

For the entire category, this represents a modification of 1958 sales predictions made at mid-year 1957.

This summer, 79% of executives making predictions about 1958 sales trends expected year-to-year gains of at least 3%. Only 7% of this particular group looked for any decline and 14% forecast no change.

Now, of those who made the mid-summer forecast, only 42% expect a year-to-year sales gain of at least 3%; 36% look for decreases and 21% expect no change.

Estimates of after-tax profits in 1958 show: 5% looking for a more-than-10% gain; 7% expecting a 3%-10% increase; 31% anticipating no change; 19% predicting a 3%-10% decline; 25% forecasting a more-than-10% drop. Remaining 13% did not make predictions.

Most companies expect little change in the price of the products they sell, or some increase. Only a few look for a price decline. Similar expectations are held about the price of materials bought by the companies.

Majority, 56% of companies, look for little change in numbers to be employed in 1958. Of the remainder, some expect 3%-10% increases in labor force, but these increases may be offset by the rather more numerous companies expecting a 3%-10% decline.

Total capital spending by these companies will decrease next year. Some 10% of all companies reporting expect to spend about the same next year as they did this year. But nearly 60% expect to cut capital spending below 1957 levels while only half as many expect to increase it over this year's total.

Three out of five **chemical company** executives look for sales gains in 1958 of at least 3%. Remaining two of each five expect 1958 sales to be about the same as those in 1957. None expects decreases.

Almost all forecast little change in prices and in employment during 1958. All predict wage rates paid in their companies will increase 3%-10%.

Profit expectations in the chemical industry vary widely with some looking for increases, others expecting next year's to be about the same as this year's—and a few predicting declines.

Rubber companies expect 1958 sales will be about the same or slightly better than in 1957. Price of products sold is expected to remain relatively unchanged. Opinion is unanimous that wage rates will rise 3%-10%.

Net profits in the rubber products industry are likely to be 3%-10% lower in 1958, say company executives.

Aircraft company expectations, on average, point to little change in domestic sales next year, if anything, perhaps some decline. Decreases in some companies may be offset by gains in others.

But in almost all aircraft firms, executives look for substantially improved foreign sales. Almost all expect a more-than-10% increase in sales abroad.

Opinions about net profits vary widely from company to company with some looking for sharply improved profits, others expecting substantial declines.

On average, it appears likely that there will be some increase in the price of aircraft company products and in the price of materials bought by these firms.

Mining company executives are not predicting any year-to-year sales increases for 1958. About 25% look for little change; 38% expect a 3%-10% decline; 25% predict a more-than-10% drop. Remaining 12%, no forecast.

Estimates of net profits in mining companies next year show: 25% looking for little change from 1957; 26% predicting 3%-10% declines; 38% looking for more-than-10% decreases. Some 11% did not make predictions.

Prospect by Areas

Here is a breakdown by regions showing how polled Canadian businessmen compare the 1958 outlook for some key phases of their operations with the 1957 record. Figures are percentages of executives reporting.

	—UP— More than 10%	3%-10%	About same	—DOWN— 3%-10%	More than 10%	No Est.
DOMESTIC SALES:						
B. C.	11	55	17	17	..	..
Prairies	7	33	20	26	7	7
Ontario	8	36	24	19	10	3
Quebec	11	39	23	18	9	..
Atlantic Prov.	13	62	6	19	..	..
Canada	10	41	21	19	7	2
PRODUCT PRICES:						
B. C.	..	28	66	6	..	..
Prairies	..	13	54	13	13	..
Ontario	..	28	56	12	1	3
Quebec	..	20	64	7	5	4
Atlantic Prov.	6	19	69	6	..	..
Canada	1	23	61	9	3	3
MATERIALS PRICES:						
B. C.	..	39	55	6	..	..
Prairies	..	40	47	..	..	13
Ontario	..	41	51	8	..	..
Quebec	..	33	50	11	4	2
Atlantic Prov.	..	44	37	19	..	..
Canada	..	39	49	9	1	2
EMPLOYMENT:						
B. C.	..	..	77	17	6	..
Prairies	7	13	47	26	7	..
Ontario	1	21	50	21	7	..
Quebec	..	11	59	24	4	2
Atlantic Prov.	..	25	44	31	..	..
Canada	1	15	55	23	5	1
WAGE RATES:						
B. C.	6	77	11	6	..	..
Prairies	..	93	7	..	..	..
Ontario	1	75	20	1	..	3
Quebec	2	78	18	..	..	2
Atlantic Prov.	..	75	19	..	..	6
Canada	2	78	17	1	..	2
NET PROFIT AFTER TAXES:						
B. C.	11	17	44	11	17	..
Prairies	7	7	47	26	18	..
Ontario	13	21	23	21	17	5
Quebec	12	16	27	22	14	9
Atlantic Prov.	..	19	44	31	6	..
Canada	11	18	30	22	15	4

	—UP— More than 10%	3%-10%	About same	—DOWN— 3%-10%	More than 10%	No Est.
CAPITAL EXPENDS.:						
B. C.	21	6	28	6	28	11
Prairies	13	7	26	20	34	..
Ontario	17	7	30	8	35	3
Quebec	12	11	27	11	28	11
Atlantic Prov.	13	..	31	13	30	13
Canada	15	7	28	10	32	8
INVENTORIES —						
Raw Materials:						
B. C.	..	17	28	..	21	34
Prairies	..	7	40	7	13	33
Ontario	3	13	46	22	8	8
Quebec	4	9	44	11	11	21
Atlantic Prov.	..	6	38	25	..	31
Canada	2	11	43	15	10	19
Goods in Process:						
B. C.	..	17	38	..	6	39
Prairies	..	7	40	7	7	39
Ontario	3	10	53	11	13	10
Quebec	..	9	54	12	5	20
Atlantic Prov.	..	6	50	13	..	31
Canada	1	10	51	10	8	20
Finished Products:						
B. C.	6	28	44	..	..	22
Prairies	..	7	59	20	7	7
Ontario	1	13	42	18	10	16
Quebec	2	16	54	7	5	16
Atlantic Prov.	..	6	62	13	13	6
Canada	2	14	49	12	7	16
OUTSIDE BORROWING —						
Long Term:						
B. C.	34	..	6	6	..	54
Prairies	13	7	20	13	..	47
Ontario	6	3	25	21	7	38
Quebec	2	4	16	12	4	62
Atlantic Prov.	19	..	31	13	13	24
Canada	9	3	20	15	5	48
Short Term:						
B. C.	11	28	17	..	6	38
Prairies	7	..	47	7	13	26
Ontario	7	1	38	8	16	30
Quebec	5	9	23	4	9	50
Atlantic Prov.	..	..	38	6	18	38
Canada	6	6	32	6	12	38

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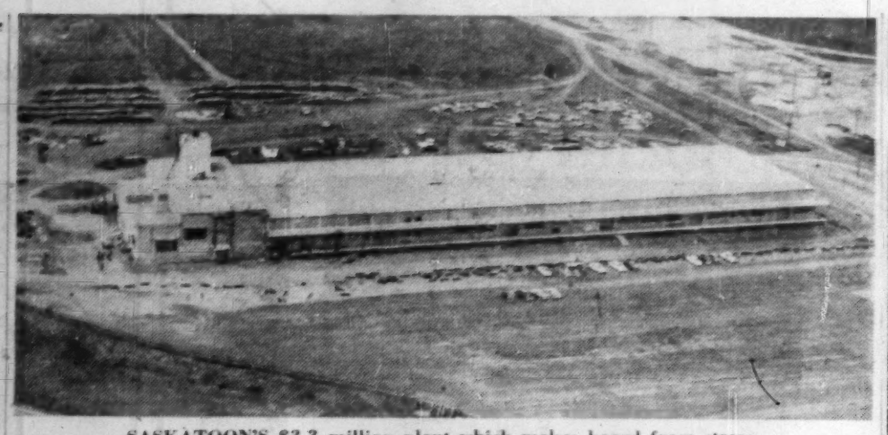
ANNOUNCEMENT

PROVINCIAL BANK
appointment

LÉO LAVOIE

Hon. J. A. Brillant, M.L.C., C.B.E., President of The Provincial Bank of Canada, has announced the appointment of Mr. Léo Lavoie as General Manager.
Mr. Lavoie joined the bank in 1930 at Riviere du Loup and successively held various positions until he became Manager of the Bank's main office in Montreal. He was appointed Assistant to the President in 1955 and more recently was Assistant General Manager.



SASKATOON'S $3.3 million plant which makes board from straw.

Make Cash From Straw

From Our Own Correspondent

SASKATOON—Prairie farmers now have a big new market for a formerly wasted by-product: straw.

Prairie Fibreboard Ltd., Saskatoon, has built a $3.3 million plant to turn straw into hardboard and softboard.

The market: About 80 million-100 million sq. ft. of fibreboard is now "imported" into the Prairie provinces.

Prairie Fibreboard has just gone into production of softboard, using straw.

Early in March, 1958, it will manufacture hardboard, using wood.

Straw can be used, too, in a special process developed by the firm's managing director, G. D. Sinclair.

Mr. Sinclair sees a booming business for Prairie Fibreboard.

"In 1955," he says, "82 million sq. ft. of hardboard and softboard were shipped into the Prairies.

"I expect the demand in 1958 will be 100 million sq. ft.

"So that will mean we'll easily dispose of what we produce," he says.

Company will produce each year 20 million sq. ft. of softboard and 12,000,000 square feet of hardboard.

How Made?

How does straw become board?

First, softboard:

Straw is mixed with water and sodium hydroxide and is turned to a pulp.

It's refined and washed and a waterproofing substance is added.

Excess water is drained off and the substance that's left goes into the board forming machine, and from there into a natural-gas-fired drier, where it remains for about two and a half hours.

Then it's ready to be cut into sections and finishing touches are added to make it the kind of softboard desired.

The hardboard process is carried on in a completely separate production line in the same building.

It is substantially the same as for softboard, except that wood is used and the drying is carried out under extreme pressure.

Some 12,000 tons of straw and 10,000 cords of wood will be used yearly unless, of course, the facilities are expanded.

City's Largest

Prairie Fibreboard Ltd.'s massive steel-reinforced concrete structure is the city's largest industrial building. It stretches over a working area 140 ft. by 548 ft.

It employs 65, including office staff.

Main suppliers of equipment in the plant: **Dominion Engineering Co.; Black and Clawson Canada Ltd.; Canadian Ingersoll Rand; Electric Tamper Equipment Co.; Ross Engineering Co. of Canada;** Coe Manufacturing Co.; **Dominion Bridge Co.** and **Trimont Corp.**

Consulting engineers were **Stadler, Hurter and Co.** The general contractor was **W. C. Wells Construction Co.**, Saskatoon.

The company was capitalized at 3,250,000 shares with par value, $1.50. More than half the shares have been sold, and the present issue is going for $2.25.

Prairie Fibreboard Ltd. president is Ray Hauer.

Other officers: G. D. Sinclair, managing director; V. G. Ellis, vice-president and controller; L. N. Greer, secretary-treasurer; L. M. Teed, director, and J. I. Young, director.

The plant will provide a stimulant to the economy of the area.

The firm calculates that a farmer living fairly close to Saskatoon can make up to $2,000 a year selling straw.

Prairie Board Market

Total Shipments of Softboard and Hardboard to the Prairies:

	Million Sq. Ft.
1952	67*
1953	78*
1954	77*
1955	82*
1958 (est.)	100

*Estimated by Saskatchewan Industrial Development Office. Shipments come from B. C., Manitoba, Eastern Canada.

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Company Report

Breweries

MOLSON'S BREWERY LTD., Montreal, consolidated net profit of $4,205,918 for year ended Sept. 30, 1957, was 14.9% higher than previous fiscal year's $3,661,415.

Sales were a record, say Chairman T. H. P. Molson and President H. DeM. Molson. Profits, however, were not a record owing to increasing wage, material and other costs.

Expenditure on new buildings and equipment at its two breweries amounted to $2,094,754. In Montreal a substantial part of the delivery truck fleet was replaced with special designed closed vehicles. Modern glass lined tanks were installed in several storage rooms replacing older wooden tanks, while in Toronto construction was begun on a new storage building.

Another six-story storage building is under construction in Toronto, three stories to be completed by the spring of 1958. This will be financed from company's own resources.

The gallonage tax on beer was raised in Ontario on April 1, and company increased its prices for the first time since 1950 to take care of the additional tax and some cost increase. Prices on bottled products were raised 5% in Quebec on Nov. 1, 1957.

CONS. INCOME ACCOUNT

Years Ended Sept. 30:	1957	1956
Net earnings	$9,274,778	$8,058,069
Less: Deprec.	1,735,110	1,666,654
Interest	48,750	65,000
Income taxes	3,285,000	2,665,000
Net profit	4,305,918	3,661,415
Less: Dividends	2,027,025	1,800,000
Surplus for year	2,178,893	1,861,415

Note—The company is claiming for tax purposes depreciation in excess of amount charged in the accounts, thereby reducing taxes payable by $215,000 in 1957.

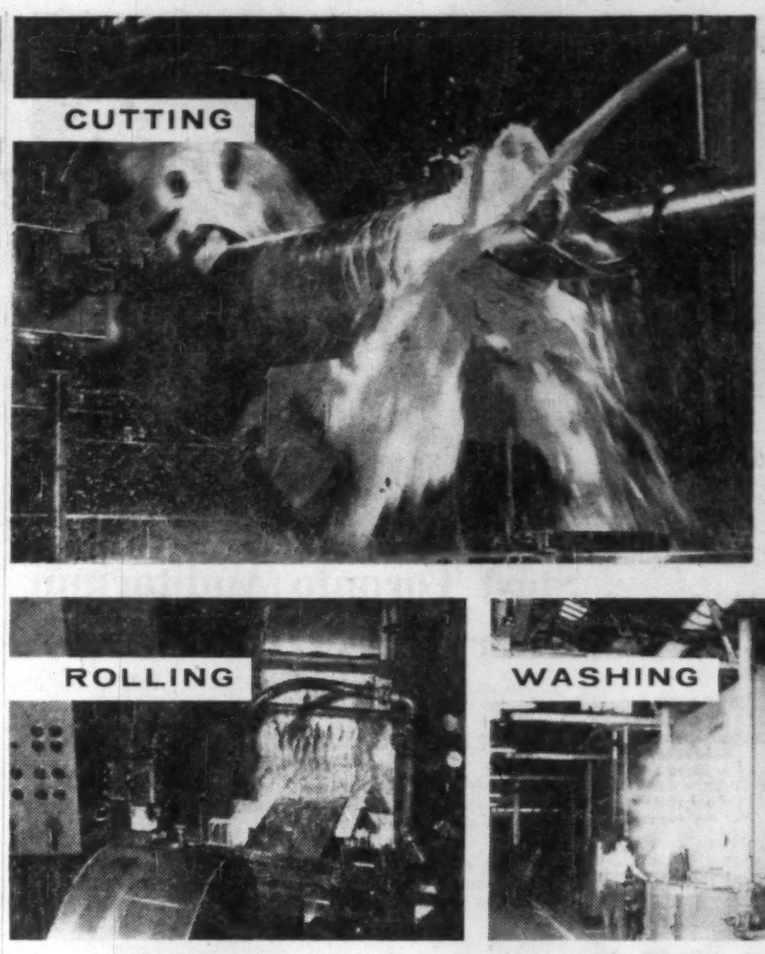
Earnings per Share and Dividend Record:		
Class A & B	$2.80	$2.44
Paid	1.45	1.20

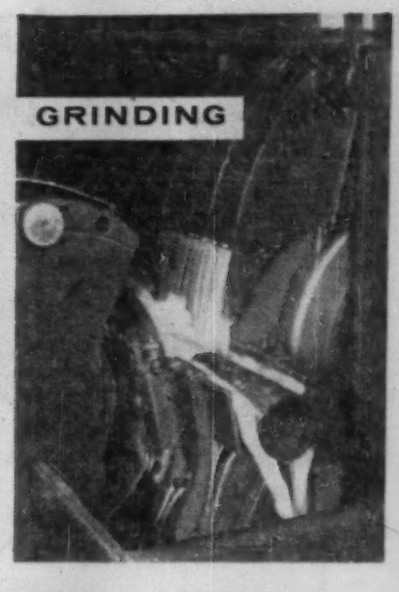
Note—In company's report, net profit includes profit on sale of investments of $5,341 in 1957 and $2,819 in 1956.

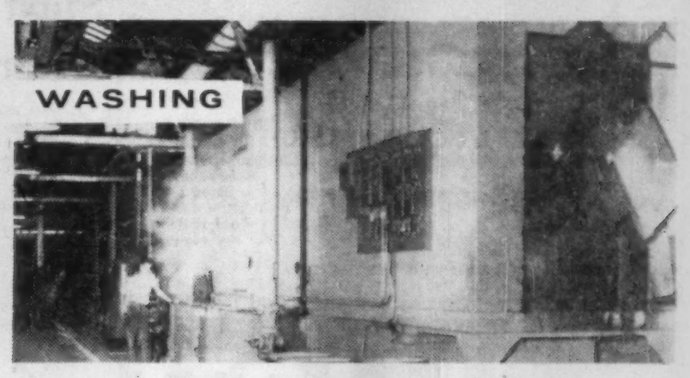
Shs. o/s at Sept. 30:		
Class A	750,750	750,000
Class B	750,750	750,000

CONDENSED CONS. BALANCE SHEET

As at Sept. 30:	1957	1956
Cash	$2,444,705	$1,161,789
Accts. rec. less res.	3,799,433	3,616,205
Inventories	5,385,502	4,816,515
Bonds & shs.*	3,451,546	3,222,180
Total curr. assets	15,081,186	12,816,689
Misc. assets	1,132,205	963,900
Fixed assets†	21,085,175	20,838,008
Total assets	37,298,566	34,618,677
Inc. taxes pay.	2,064,198	1,495,669
Accts., etc., pay.	2,197,249	1,797,123
Total curr. liab.	4,261,447	3,292,792
Notes pay.	1,000,000	1,500,000
Tax red. acc.	...	375,000
Capital stock	327,000	300,000
Earned surplus	31,710,119	29,150,885
*Market value	3,564,200	3,380,462
†After deprec. of	13,715,960	12,612,300
Working capital	10,819,739	9,523,897







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New Jet Engines for TCA Pass Rigorous Tests

The light-weight and extra-economic Conway bypass jet engine that **Trans-Canada Air Lines** have ordered for their DC-8s has now passed an official British Ministry of Supply type test.

A letter of approval is being prepared by the Ministry.

The test was performed at a declared rating of 17,250-lb. thrust.

Only last month the British Air Registration Board confirmed that the civil version of the Conway, with a slightly lower rating, had successfully completed a 150-hour test run.

The Conway, made by Rolls Royce, is known as a "bypass" engine because some of the air taken in by the engine bypasses the combustion chambers and is injected before the hot gases reach the turbine part of the engine.

A large proportion of the latest test was actually run at a substantially higher thrust figure than that given, according to Rolls Royce.

Specific fuel consumption is claimed to be lower than that of any type-tested military jet engine in the world.

The Conway is already undergoing an intensive flight development program. Later versions will give greater thrust at even lower fuel consumption.

Liquid injection is being offered as an optional feature for the purpose of restoring take-off thrust for operators serving tropical areas.

For civil operation, the Conway has been ordered also by **British Overseas Airways**, by **Air India** and by **Lufthansa** for their **Boeing** 707-420s. The BOAC Vickers VC-10s will also be Conway-powered.

For military uses, it has been claimed that the bypass system, with its cooler exhaust temperatures, makes it harder for a bomber to be located and tracked down by infrared (heat-seeking) homing devices on guided weapons.

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ANNOUNCEMENT

IMPERIAL BANK OF CANADA APPOINTMENTS

A. S. De ROSENROLL W. J. DOUGLAS

Imperial Bank of Canada announces the formation of an Oil and Gas Department, located at Calgary, with Mr. A. S. de Rosenroll as Supervisor. This senior promotion recognizes Mr. de Rosenroll's intimate knowledge of, and long association with, the Canadian oil and gas industry with which he will continue to work closely in Western Canada.

Mr. W. J. Douglas, previously Manager of the Saskatoon Branch, succeeds Mr. de Rosenroll as Manager of the Calgary Main Branch.

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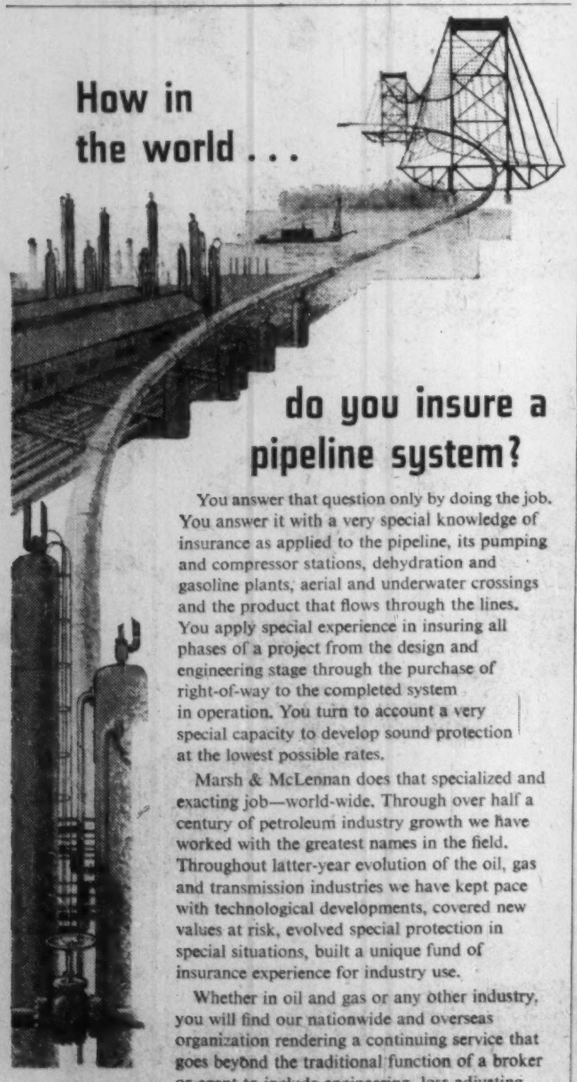
Fine Paper Output Down in October

MONTREAL (Staff) — Fine paper shipments were down 4.6% in October from same month a year ago but first-10-month totals show an increase of 2.4%.

Production was off 2.6% in October, up 2.9% in the first 10 months.

The figures (tons):

10 Months Ended Oct. 31	1957	1956
Production	213,515	207,590
Shipments (domestic)	198,663	193,593
Exports	13,392	13,507
October	**1957**	**1956**
Production	21,359	21,930
Shipments (domestic)	19,589	20,485
Exports	1,623	1,744



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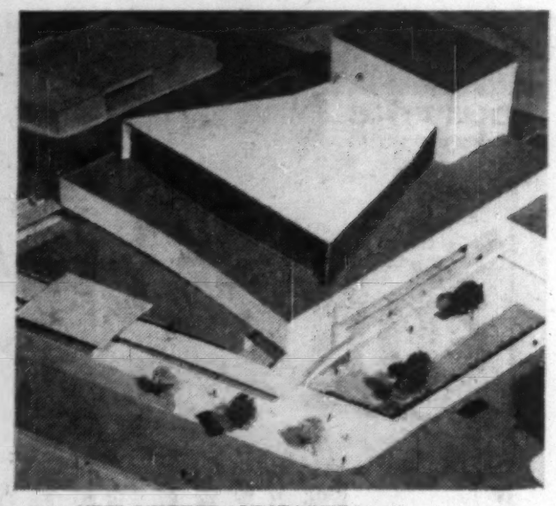

NEW O'KEEFE AUDITORIUM in Toronto.

Start Toronto Auditorium After Three-Year Study

A $10 million Christmas gift to Greater Toronto took final shape this week after nearly three years of study and negotiation.

It's the **O'Keefe** Auditorium. Tenders will be called next week with construction starting January.

After an extensive investigation of theatre facilities, it will incorporate many unique features.

This is what T. E. Arkell, president of the donors, **O'Keefe Brewing Co.**, says of its impact on cultural life:

"It will bring top performers, Broadway and continental shows to Toronto audiences. It will offer a whole new horizon for music lovers, from jazz fans to symphony lovers."

It could also be a valuable auxiliary to existing convention facilities.

Located on a 2½-acre downtown site at Front and Yonge Streets, the auditorium will be operated as a non-profit project. It will have 3,200 seat capacity.

Some of the major features planned are:

- A stage opening that can be reduced from 60 ft. to 36 ft.
- A mechanically elevated orchestra pit for 50 musicians with forestage room for more.
- Adjustable seating accommodation and built-in acoustics control.
- A large rehearsal hall flanked by radio and television control rooms.

O'Keefe's made its offer to donate the auditorium in January, 1955. It acquired the site in a series of parcels on the open real estate market over a two-year period.

Architects are **Earle C. Morgan**, Toronto and **Page & Steele**, Toronto with **Eggers & Higgins**, New York consultants.

The design was developed by **Peter Dickinson** and Canadian and U. S. authorities in a wide range of special fields have been called in. **M. S. Yolles & Associates** is responsible for structural engineering and **Frost, Granek & Associates** for mechanical engineering.

The building, due for completion in late 1959, will be an impressive structure of two stories with a granite and glass base and a sculptural form roof sheathed in bronze and granite. The stage tower of limestone slab will rise 60 ft. above the auditorium.

E. P. Taylor, chairman of the board of **Canadian Breweries Ltd.**, is chairman of the auditorium, and Arkell president.

Imports with More Than 55% Butter Fat Stopped

OTTAWA (Staff)—In all the years that butter has been the one lonely item subject to a Canadian import ban, imports of butter fats in other forms have never been a problem. Not until recent months.

But latterly butter fat has been coming into Canada in quantities large enough to upset the trade, specially in the form of butter oil, which consists of better than 96% butter fat.

The source of these imports was Europe: Several countries were selling butter oil.

But the imports were stopped by order-in-council in mid-November; and the import control list now covers all substances containing more than 55% butter fat.

U. S. Market

On the export side, Canadian cattle-raisers are near the end of the U. S. market which has been paying them $22.75 per 100 lb. "on the hoof" in Chicago, compared with $17.75 in Toronto.

There is nothing sinister or unforeseen in U. S. preparing to impose a higher rate of duty than the 1½c a lb. that Canadian exporters have been paying on cattle over 700 lb. in weight.

The U. S. quota of 400,000 head of cattle over 700 lb. was set in GATT tariff negotiations in 1948.

It covers the whole world, and entries above the 400,000 quota pay an extra 1c per lb. duty, raising duty to 2½c.

It was not until 1953 that the quota was brought into force. It provides that not more than 120,000 out of the annual 400,000 head may be brought in any one quarter.

By the third week in November this year, imports were getting near the 120,000 limit.

In the quarter starting Oct. 1 Canada exported 79,000 head to U. S. and Mexico exported 14,000.

With less than 27,000 to go at the lower rate of duty U. S. customs officers and customs brokers started making sure they could catch the proper late entries for higher duty as soon as the 120,000 head were exceeded.

Canada's exports normally decline after about Dec. 10; so it is possible we may squeak through within the quota for this last quarter.

We have been selling more fat cattle than usual this fall, because of the price spread between U. S. and Canada.

B.C. Electric Preferred Sold 1958 Expansion Equals '57

MONTREAL (Staff) — **British Columbia Electric Co.** in 1958 is planning capital expenditures estimated at $98.6 million, about equal to the record $100 million 1957 program.

This was disclosed in connection with an offering of $15 million in 5½% cumulative redeemable preferred shares, $50 par, being made by a large syndicate headed by **Nesbitt, Thomson & Co., Wood, Gundy & Co.** and **Societe de Placements Inc.**

The offering is at $48.50 per share to yield 5.67%. The shares are redeemable at a premium of 4%.

B. C. Electric at present is in the midst of a major expansion program involving four major hydro projects, a gas turbine plant, and natural gas and electric distribution facilities.

Further ahead in connection with its proposed $100 million, 1.2 million hp thermal plant (**FP**, Oct. 5), an order has been placed for four units of 200,000 hp each. The first unit is planned for installation in January, 1961, the second unit in August of the same year with additional units being added. The plans are subject to Public Utilities Commission approval.

Company has concluded an agreement with **Westcoast Transmission Co.** for purchase, in increasing quantities beginning in 1961, of up to 144 million cu. ft. of additional natural gas per day — the quantity sufficient to operate all six units of the thermal plant.

The plant is designed to bridge the gap until additional hydro will again be available.

Company's 1958 capital budget includes $10.7 million for gas trunk lines, distribution mains and accessory plant on the mainland; and gas extensions both on the mainland and Greater Victoria.

Consolidated net profit of B. C. Electric for the nine months ended Sept. 30, 1957, was $9,836,922 ($12,399,783 in the full year 1956).

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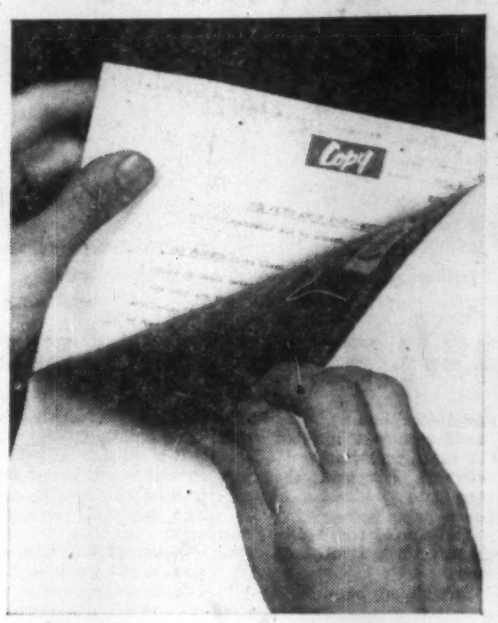

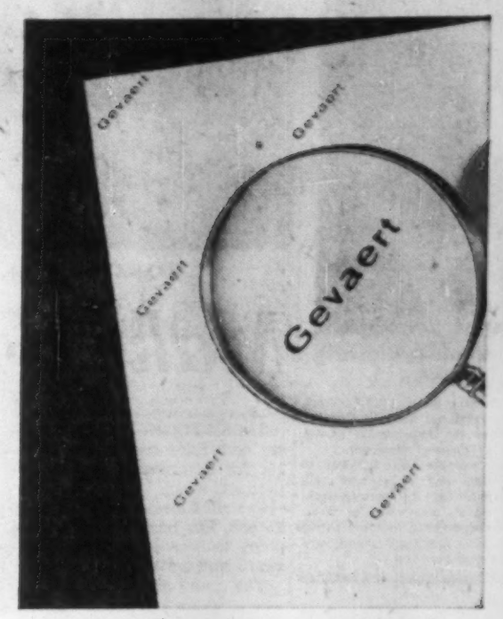

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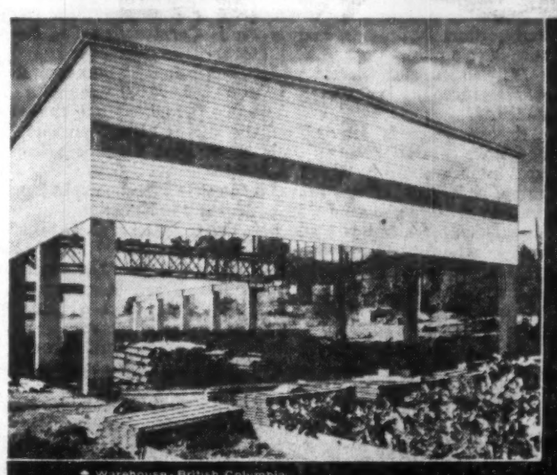
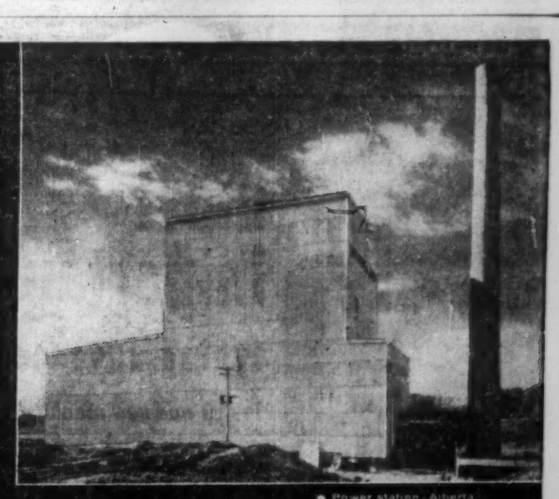

Warehouse - British Columbia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ANNOUNCEMENT

TRADERS FINANCE CORPORATION LIMITED

J. WILSON BERRY

DONALD W. NAYLOR

Mr. A. E. Naylor, O.B.E., Chairman of the Board and President of Traders Finance Corporation Limited wishes to announce that at a recent meeting of the Board of Directors, Mr. J. Wilson Berry and Mr. Donald W. Naylor were appointed directors of the Company. Mr. Berry is President and General Manager of Guaranty Trust Company of Canada and a director of Canadian General Insurance Company, Toronto General Insurance Company and Traders General Insurance Company. Mr. Donald W. Naylor has been associated with Traders Finance Corporation Limited for five years and is a director of Canadian General Securities Limited.

Northwestern Gets Go-Ahead

From Our Own Correspondent

CALGARY — The Alberta government has given **Northwestern Utilities** the go-ahead for a $3.5-million project to transport gas from the Pembina oil field to Edmonton.

Permission was granted on the recommendations of the Alberta Oil and Gas Conservation Board, Calgary, after studying the results of hearings Oct. 30.

Alberta & Southern Gas Co. has contracted 80% of all the gas in the Pembina area.

Northwestern has an agreement with Alberta & Southern in which gas piped from this field will be used as "peak gas" in the Edmonton district. The project includes a 72-mile pipeline and gathering systems.

Better Business Hit by Business

Company expense-slashing hurts the BBB . . .

MONTREAL (Staff) — While the Better Business Bureaus are protecting "Yule fools" this Christmas, they will also be doing some worrying about their own financial wellbeing.

The nation's nine BBBs are feeling the squeeze of moderately lessened business prosperity.

The result: One of capitalism's best -- and most useful — public relations agencies is in danger of decline.

Despite the fast-growing public use of BBB services, companies find it easy to slice their financial support of the bureaus when looking for operational economies.

Take the recent letter received by the Montreal BBB (staff of 12, budget of around $65,000) from the large Canadian subsidiary of a huge world-wide company.

It said the company had been reviewing its expenditures for money-saving opportunities and had decided to end its membership and its annual contribution — of $50.

The Montreal bureau has had a number of letters like this. So have other Canadian BBBs—in Halifax, Quebec City, Toronto, Ottawa, Winnipeg, Calgary, Edmonton, Vancouver.

Last year a BBB national program didn't get off the ground because of financing disappointments.

Is it worthwhile for industry to spend money for the bureaus?

Everyone seems to think so in principle.

But the nine Canadian bureaus have only between 5,000 and 6,000 members. When it's considered that all business and industry—large and small—can join, this is slim support.

Membership fees, for the most part, are modest, based on numbers of employees.

The 1,800 Montreal BBB members generally pay in the $40-$450 range.

What do they get for their money?

Not much in direct service. Although a BBB may provide service to members' employees, make confidential reports for members, its main function is unswervingly honest service to the public.

Last year Canadian bureaus reported 142,000 "instances of service."

Greatest asset of the BBBs is public faith in their integrity, says Claude Root, general manager of the Montreal bureau and president of the national BBB association.

"The public quite freely brings complaints about our members to us and expects — and gets — an honest opinion and action if necessary," he says.

The BBB specializes in blunt, no-nonsense appraisal. Examples:

"An old, dusty, fast-buck operation" — about a certain pay-$4-and-get-$50-in-free-gift certificates scheme.

"Eye-glasses cannot be accurately nor safely fitted by mail."

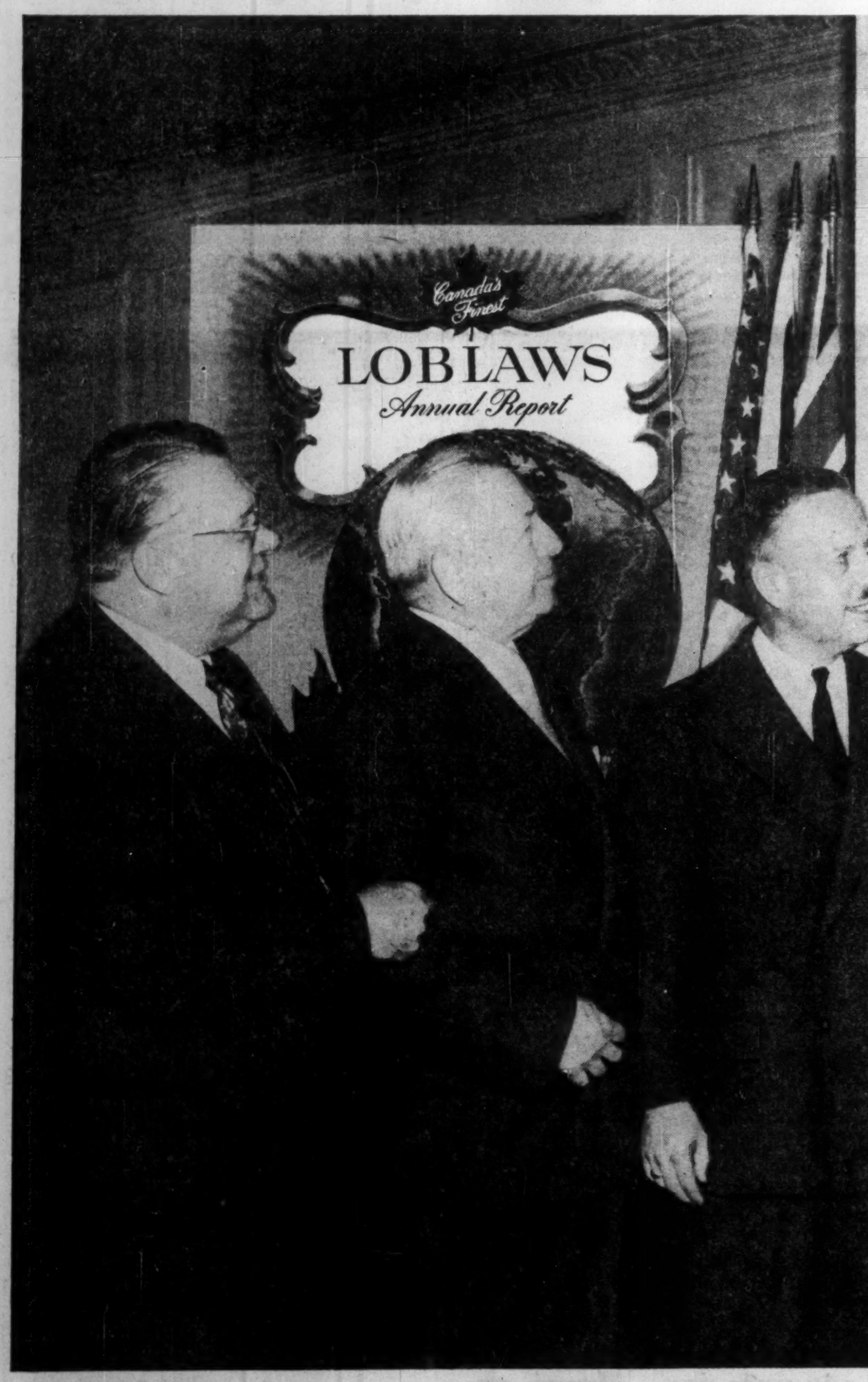
". . . the all too prevalent use of fictitious preticketing by manufacturers, combined with the use of exaggerated, unprovable comparative price claims by retailers in many lines."

What about "Yule fools"?

They are the people who are fooled into buying shoddy-Christmas-type merchandise for far more than it's worth.

So watch out for 100 beautiful dolls for $1 that turn out to be paper cutouts; and the 100 rubber animals for $1 which are tiny balloons with unrecognizable pictures printed on them.

HUGE GLOBE HIGHLIGHTS INTERNATIONAL SUPERMARKET PROGRESS



Donald Fleming, Canada's Minister of Finance, addressed an international gathering of 700 guests from throughout the North American Continent, including trade commissioners of 40 nations, at a special Loblaw-National Tea Luncheon at the Royal York Hotel, Toronto.

Loblaw's President, George C. Metcalf, was host to the guest of honour, Harley V. McNamara, President of the National Tea Co., Chicago, and John F. Cuneo, President of Cuneo Press, Chicago, on the occasion of the first Loblaw-National Directors' meeting held in Canada.

Mr. Fleming gave a highly inspirational address featuring the present outlook of Canada and the maintenance of confidence in its future. Viewing the huge illustrated global map of progress showing the Loblaw-National Tea Supermarket holdings throughout the Continent with retail sales totalling over one billion three hundred million dollars are: Harley V. McNamara, President of National Tea, who was honoured guest at the Luncheon, John F. Cuneo, President of Cuneo Press, Chicago, Donald Fleming, Canada's Minister of Finance, the feature speaker at the Luncheon, and host George C. Metcalf, President of Loblaw Groceterias Co. Limited, Canada.

Attending were representatives from the Government, business, industry, finance, world trade commissioners, the Press, radio, television, professional men.

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A Look at Life Stocks

Is Mutualization Necessary?

By L. T. MILLER

The offer of **Manufacturers Life Insurance Co.** to repurchase its outstanding stock at $275 per share over a five-year period has just been extended to Jan. 31 (**FP**, Nov. 30).

It is subject to two major conditions:

(1) That the estate of M. R. Gooderham, former president of the company, be permitted to sell its shares and,

(2) That enabling legislation be enacted by Parliament so that insurance companies may purchase their own stock.

The legislation is now before Parliament.

This transaction would involve $41,250,000 if all of Manufacturers' 150,000 shares are acquired. It would be one of the largest deals ever made in Canada if consummated. It would mean the breaking of the will of Mr. Gooderham, who passed away some seven years ago. This will stated that his Manufacturers Life shares could not be sold for 10 years.

Canadian insurance companies have never been permitted to purchase their own stock. The proposed new law will make this possible for Manufacturers and any other life companies who may wish to buy in their own shares.

Some stockholders have paid as much as $375 for their Manufacturers shares thinking them a bargain at that price. These investors and others interested in life insurance stocks undoubtedly feel that the $275 price—payable over a five-year period—is too low.

Others may say that such a price for a stock paying only $2.50 annually is too high.

It is probable that these arguments are academic.

The prospects seem to be that Manufacturers will acquire in excess of 90% of its outstanding stock, that the minority stockholders will then be required to turn in their shares, and that the company will be mutualized. Already it has 55%-60% of the shares, if the Gooderham estate shares are included.

Major Undertaking

Using this assumption, there remains little for one to do but to speculate as to the purpose of Manufacturers Life in taking this important step.

This is a major undertaking even for such a gigantic institution as Manufacturers Life.

Although Manufacturers had $717 million of admitted assets as of Dec. 31, 1956, this $41,250,000 purchase involves more than half of last December's $76 million capital, surplus, and contingency reserve at market.

The cost of retiring all the shares over a five-year period would be $8,250,000 annually. Manufacturers reported a net operating gain of $6,643,000 in 1956 and $8,531,000 in 1955.

It should not be implied that Manufacturers cannot afford to buy in its stock. The company has set up all its reserves on the net level premium basis, the most conservative method of accruing reserves. Moreover, reserves have been strengthened to the point where they are all on a 3% or lower interest assumption.

Currently, policies are being issued on a 2½% interest concept. The net return on assets in 1956 was 4.59%.

It is expected that return on assets will increase in the next few years and that interest required to maintain reserves will decline as the proportion of policies on the 2½% basis increases.

There is a great deal of "surplus" buried in the $589 million "statutory reserves" of Dec. 31, 1956.

In addition to the normal growth to be expected in net operating earnings, Manufacturers could expand its annual profits radically by reducing the rate of growth of its sales of life insurance. For a net level premium life insurance company each new policy produces a substantial loss in the first year.

Manufacturers' aggressive agents produced $326,385,000 of new business last year, and $301,291,000 in 1955.

Enviable Reputation

Did Manufacturers make this offer because the stockholders as such were a threat to the soundness of the company? This c hardly be the case.

Manufacturers has operated as a stock company since 1887 and has always maintained an enviable reputation. In 1956 the company paid out $5,725,000 in dividends to participating policyholders, added $4,480,000 to surplus and contingency reserves, but paid out only $330,000 to the stockholders.

The present indicated dividend is $375,000. If this dividend is paid out of profits in the participating fund and the non-participating fund, an income tax of 47% or $332,000 must be paid by the company.

Thus, it takes $707,000 per year to pay the current dividend. At this rate it would take more than 56 years before $41,250,000 were used up in paying dividends to stockholders.

It would seem that the purpose of Manufacturers offer is to ensure the continuation of the sound practices of the management.

It was probably felt that if the shares in the Gooderham trust were sold to outsiders, the new stockholders might make some significant changes in the company. Anyone investing $18,500,000, the approximate amount to be received by the Gooderham estate, would certainly be entitled to make some changes!

It is most important that the policies of the many hundreds of thousands of individuals insured by the company be protected and that the company be operated efficiently so that it may continue to pay high dividends to participating policyholders.

However, it does not seem possible that even a new management group would suddenly increase its rates substantially. Nor does it seem possible that the Insurance Department would permit Manufacturers to slash its participating dividends or to weaken its reserves in order to build up profits. Over a long period of years, the Insurance Department has helped make sure that the Canadian life insurance companies are the strongest in the world.

Furthermore, the greatest values for the stockholders can be built up by efficient operations, substantial dividends to policyholders, and low dividends to stockholders.

Profits available to shareholders are limited under Canadian law to:

(a) interest earned on the shareholders fund (including paid-up capital),

(b) any part of the profits from non-participating business set aside for distribution by the directors, and,

(c) a proportion of the profits from participating business set aside for distribution, not to exceed 7½% for a company the size of Manufacturers Life.

Canadian life insurance companies pay no income taxes except on profits transferred to the shareholder's account from the participating and non-participating accounts. The tax on profits so transferred is the regular corporate rate—currently 47%.

Because of the potential income tax liability, it is best from a stockholder's viewpoint to pay small dividends to shareholders, allowing the non-participating and shareholders' surpluses to grow as rapidly as possible.

If the sale of the controlling stock of life companies to a small group is a matter for concern, and if the present controlling group wants to dispose of its shares, would it not be better for all concerned if a public offering of this block of stock were made by a Canadian investment banking group to investors throughout Canada? Such an underwriting could be set up in such a way as to prevent a change in control. It would also eliminate the need for depleting the life companies' assets (by $41,250,000 in the case of Manufacturers).

Such a stock offering would be difficult, of course, because of the lack of interest in their life insurance companies by Canadian investment bankers and investors.

This situation is the result of:

(a) lack of understanding and,

(b) the unfavorable official attitude in Ottawa toward life insurance company stockholders.

There is a feeling that if life insurance stocks move up, the policyholders are hurt in some way.

Limited Market

And investment dealers will not recommend life stocks if they feel the Insurance Department might some time slash shareholder earnings through changes in legislation.

Another factor tending to reduce interest in Canadian life insurance stocks is their rather limited marketability. Shares of the larger life insurance companies sell at high prices which are unpopular with the investing public.

If the Insurance Act were changed so that shares may be split to bring their market value down to reasonably low prices, this would certainly increase the interest of Canadian investors in life insurance stocks. Splitting of shares involves no cash drain on the company and should be helpful in permitting more widespread ownership of the life companies.

It may be that in the not too distant future other large blocks of life company shares will become available. If so, it may be in Canada's best interest that these blocks be distributed publicly.

The outlook for life insurance stocks may be changed sharply as a result of new legislation making it possible for Canadian life companies to buy in their own shares (FP, Nov. 30).

Many of these stocks are closely held, most are not listed on any exchange, and all sell at prices that are high for the average investor. But some U. S. analysts call them the best growth stocks Canada has.

For a look at our life stocks as others see them, here is an article by L. T. Miller, vice president of Joseph, Mellen & Miller Inc., Cleveland investment house. Another article will deal with the potentials he sees for Canadian life stocks in a favorable atmosphere.

INSURANCE SURVEY

More than half of all life insurance death benefits are paid in respect of persons dying between the ages of 30 and 64, according to a survey made by the Canadian Life Insurance Officers Association. Covering one month's death claims, the survey showed 59% were on persons 30 to 64; 36% on those 65 and over and 5% on persons under 30.

ANNOUNCEMENT

QUAKER OATS COMPANY APPOINTMENTS

REG. R. FARYON — J. G. WHARRY, B.S.A. — FRED G. ASH

The Directors of the Quaker Oats Company of Canada Limited have announced the following executive appointments: Reg. R. Faryon, President, to be Chairman of the Board, James G. Wharry, Vice President and General Manager, to be President of the company, and Fred G. Ash, Vice President and Assistant General Manager, to be Executive Vice President.

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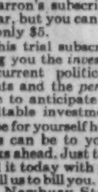

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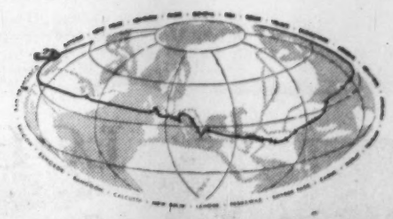

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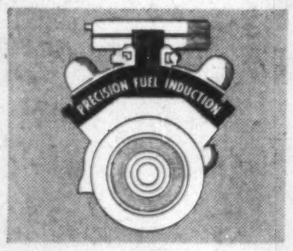

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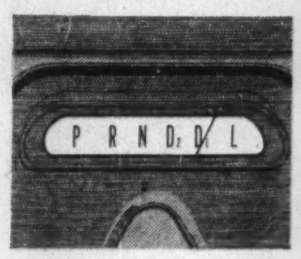
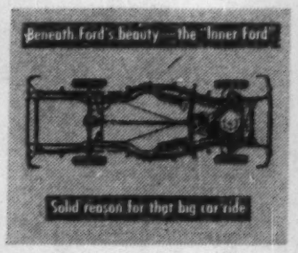
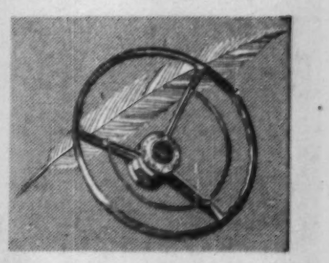


You'll get up to 15% more gas savings with new Cruise-O-Matic Drive teamed with the new Interceptor V-8's. Here is the newest, most versatile of all automatic drives. In D1 position, you get smooth, solid-feel, full-power take-offs starting in low gear. In D2 position, you get gentle, sure-footed starts in intermediate gear—particularly good on ice, snow or sand. The new rear axle ratio used with Cruise-O-Matic means "built-in" overdrive economy.



You'll ride in safety, surrounded by new strength—proved and approved around the world! Every Ford is built around the rugged "Inner Ford" that puts "beef" beneath its beauty . . . extra strength *everywhere!* The husky contoured frame is bowed out to give you wall-to-wall protection. The entire body is welded, braced and bonded to form one incredibly tough unit. No wonder Fords keep looking and acting young for years.



You'll steer with a feather touch with Ford's new Magic-Circle Steering. Nothing rolls like a ball, and that's the secret of Ford's handling ease. Free-moving steel balls in the steering mechanism are virtually friction-free—give you the closest thing yet to power steering! And this is just one of the many new "Inner Ford" advances you'll discover in the smoothest riding . . . easiest handling . . . most thoroughly tested Ford ever. Come, see for yourself!

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(Certain features illustrated or mentioned are "Standard" on some models, optional at extra cost on others.)

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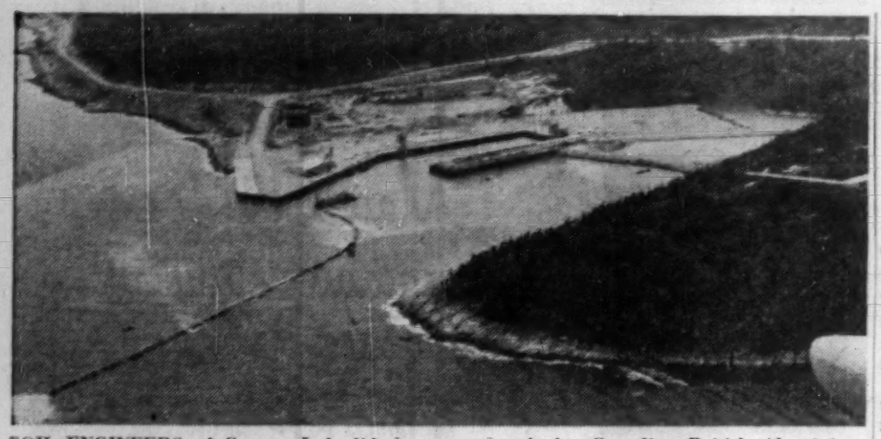

SOIL ENGINEERS of Geocon Ltd. did the groundwork for Canadian British Aluminium Ltd.'s $4 million new wharf at Baie Comeau, Que.

Soil-Probers Help You Look Before You Build

"Soil engineers can often determine where a big construction project should be put, how it should be built and sometimes whether it should be built at all . . ."

By JACK McARTHUR

MONTREAL (Staff) — Drilling rigs can strike pay dirt for the construction industry as well as for the nation's mine and oil seekers.

Their use: In soil engineering.

They can often determine where a big construction project should be put, how it should be built and—sometimes—whether it should be built at all.

This week, for instance, diamond-studded drilling heads are probing riverbeds in New Brunswick and Maine. They're helping to determine whether it's feasible to build the huge, long-dreamed-of Passamaquoddy tidal power project.

And in British Columbia another drill is mining information from a roadbed for a new superhighway joining Vancouver to nearby Burnaby. It already has come up with some information to startle the roadbuilders.

These particular drills belong to Canada's largest soil engineering business, one which is world-known.

Its name: **Geocon Ltd.** of Montreal whose president is young (33) McGill University grad Alexander G. Hyde.

Soil engineering is still a rather obscure science. Not many Canadian universities teach it.

Tell the Builders

But it does important work; that of telling builders what kind of earth, rock, etc. base lies below their projects.

This can save a lot of trouble during the job — like running into quicksand—and afterward — as when a building settles after its construction.

Not many years ago, says Hyde, business made little more than a token examination of construction sites.

"The result is that a great many buildings, bridges, tunnels and other structures standing in Canada today cost far more than they should have. They were overbuilt, simply because builders failed to tailor their designs to fit particular soil conditions."

In one district, for example, concrete piles were always a part of specifications until an expert analysis showed that less costly spread footings were suitable.

Geocon's Passamaquoddy drills—one at Digdeguash, N.B., the other across the border in the U. S. — are examining the site for a reservoir to store water as tides recede; and also drilling the location of a dam and power plant.

The results will help the U. S. and Canada to a decision on whether or not to go ahead with the power plan.

The B. C. drill found a 10-ft. layer of peat below the proposed Burnaby - Vancouver highway. Below this was an average 25 ft. of soft clay.

A. G. HYDE
President, Geocon Ltd.

This kind of base is a nightmare for roadbuilders.

Geocon engineers now have the task of deciding whether it is cheaper to excavate the peat or compact it by dumping fill on top. A series of tests is necessary.

There is a wide variation in soils, from an engineering view. Hyde explains:

"Some are too soft to carry a man's weight, others are almost as strong as concrete. Some carry underground streams, others are so impervious that water can barely penetrate a few inches each year.

"Some appear solid while, in fact, a shock will make them liquid.

"Some soils contain almost no water, others have five times as much water as solid. Some are affected very little by water, others completely lose their strength when submerged.

"Some will stand unsupported vertically for 30 ft., others for less than three inches."

Geocon began life some years ago as the soils engineering department of **Foundation Co. of Canada.** It's now a subsidiary company, has been for four years.

It has become the country's biggest firm in geotechnical engineering and construction. Business has quadrupled in the last four years.

Offices are located in Montreal, Toronto and Vancouver.

The company's rigs have penetrated the bottom of Utah's Great Salt Lake for a new 20-mile causeway; examined the soil of Quebec for an **Aluminum Co. of Canada** smelter; peered beneath the St. Lawrence River before foundations were sunk for **Iron Ore Co. of Canada's** wharves at Contrecoeur, Que.

They partnered in development of the big **Canadian British Aluminium** site at Baie Comeau, Que.

As a result of Geocon findings for the latter, it was decided that very deep wharf pilings were needed for stability. Thus builders used longer steel sheet pilings than had ever been used before in a Canadian wharf project.

Unusual Cases

One of the most unusual cases involved the new insulating board plant recently opened at North Bay, Ont., by **Canadian Johns-Manville.**

On the surface of the site was a layer of compact sand from four to 20 ft. thick. Under that: Soft clay.

That could have meant substantial settlement in any heavy factory.

The solution wasn't to move the project elsewhere. It was to place a heavy load on the surface, get the settling over with, then build.

A heavy weight of sand was spread over the site from a nearby sandhill, which had to be shifted anyway.

After three months, the subterranean clay was solid enough for the factory to be built.

That saved Johns-Manville an unhappy and costly experience.

And this case and others like it spell a happy and profitable future for the marriage of soil engineering and the construction industry.

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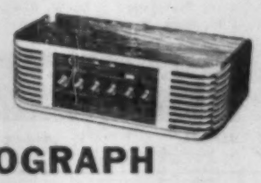

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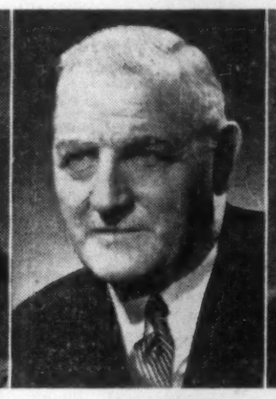
BEDDING FROM WOOD

Bedding for livestock may soon be a byproduct of the Ontario bush. As a result of research by the Ontario Department of Lands & Forests a machine has been developed which produces wood chips similar to planer shavings. It is claimed they could replace shavings as a poultry litter, bedding for animals, mulch and paving for playgrounds.

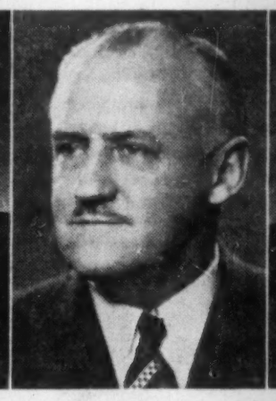
ANNOUNCEMENT

CHANGES IN ROYAL BANK BOARD

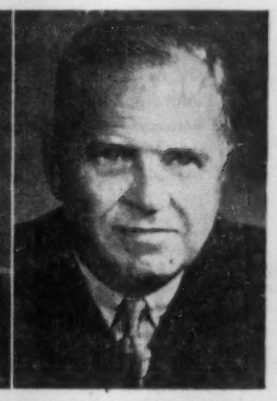
J. D. JOHNSON



J. M. BREEN

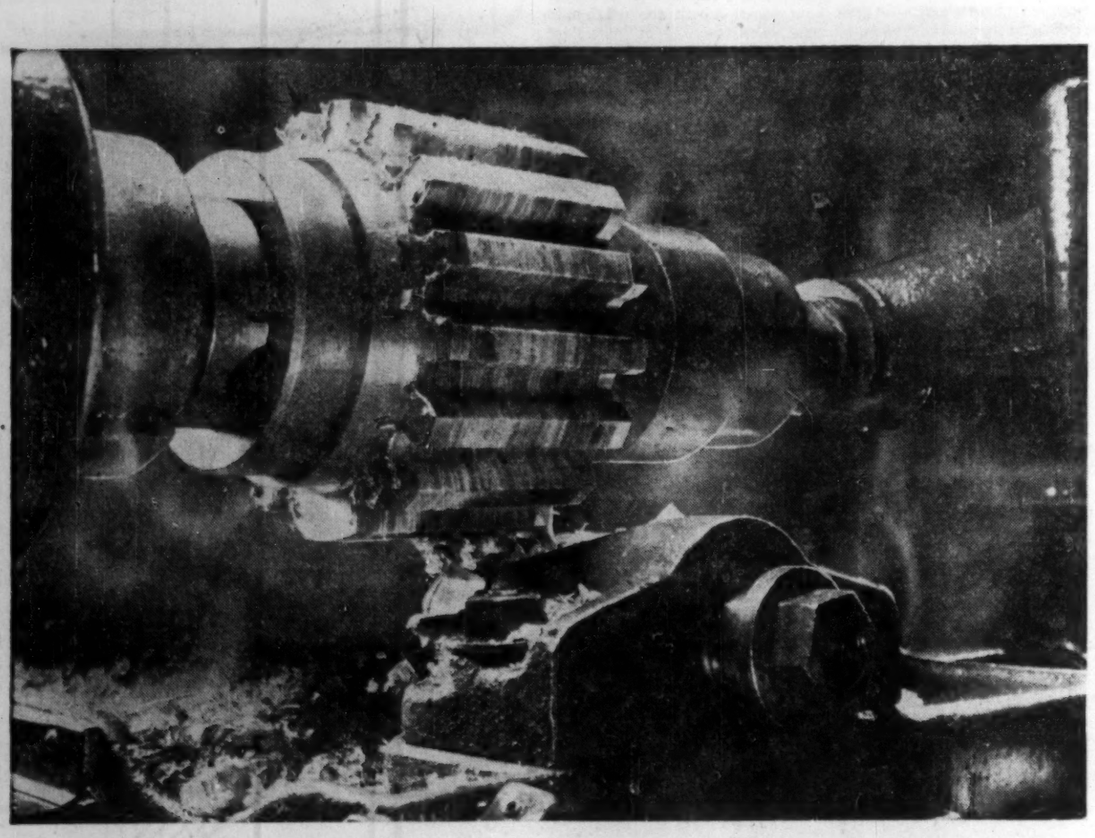


J. E. L. DUQUET, Q.C.



T. R. McLAGAN, Q.B.E.

The Royal Bank of Canada has announced that J. D. Johnson has decided to relinquish his duties as a Vice-President and Director. Second in years of service on the Bank's Board, Mr. Johnson's appointment as a Director dates back to 1939. He has been a Vice-President since 1955. Coincident with his retirement is the announcement of the appointment as Directors of J. M. Breen, J. E. L. Duquet, Q.C. and T. R. McLagan, Q.B.E., all of Montreal. Mr. Breen is President and General Manager, Canada Cement Co Ltd., and a Director Canadian General Electric Co. Ltd., North American Life Assurance Co., Dupont Co. of Canada Ltd., and other important corporations. Mr. Duquet is senior member of the firm of Duquet, McKay, Weldon & Tétrault, Barristers, Vice-President and Director, Canadair Limited, and a Director of St. Lawrence Corp. Ltd., Asbestos Corp. Ltd. and a number of other concerns. Mr. McLagan is President and General Manager, Canada Steamship Lines Ltd., and among his directorships are Abitibi Power & Paper Co. Ltd., Canadian Liquid Air Co. Ltd., Algoma Steel Corp. and Foundation Co. of Canada Ltd.



OVER 250 TOOL AND SPECIAL ALLOY GRADES, EACH AS CAREFULLY COMPOUNDED AS A DOCTOR'S PRESCRIPTION, TO DO THE TOUGHEST JOBS THAT INDUSTRY CAN DEVISE

by Alan MacLeod

Think of steel, and you almost automatically think of a ton as its unit of measurement. But at the "Miracle Mile" plant of Atlas Steels Limited in Welland, thousands of men are dedicated to the production of steels that can be—and usually are—*bought by the pound!*

These are tool steels—the hardest, toughest, most shock-resistant of metals—specially designed to cut, punch and form other metals; to perform at the business end of industry's production tools. A little tool steel goes a long way . . . but without it, countless machines in countless factories would be powerless to do their jobs.

For over 30 years, Atlas steelmakers have been formulating, melting, pouring and shaping these special alloys with meticulous care. So well do these specialists carry out their assignments, that Atlas Tool Steels have gained a world-wide reputation for quality, uniformity and adherence to specifications.

Here in Canada, there are no major industries and few individual plants where Atlas tool steels are not at work. The automotive, aviation, machine tool, and appliance industries are among those which rely most heavily on a wide range of Atlas grades.

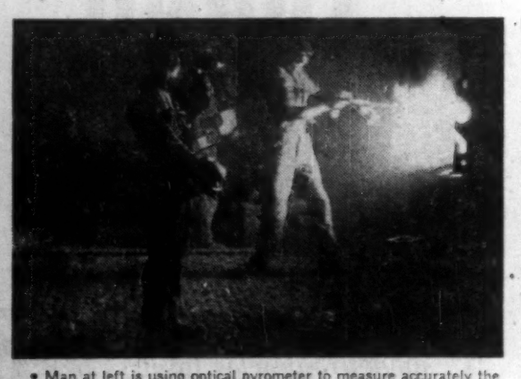
Closely related to tool steels in character are the other special alloys also made by Atlas for world consumption: mining drill steels, machinery steel, shafting, die blocks, magnet, valve, and other grades designed for specially demanding jobs.

The men of Atlas take quiet pride in their contribution to Canada's expanding economy. Their tool steels—sold under brand names as well known to industry as famous food brands are to the housewife—add efficiency to production processes, give meaning to production goals. They are readily available from complete stocks held in conveniently located Atlas warehouses from coast to coast.

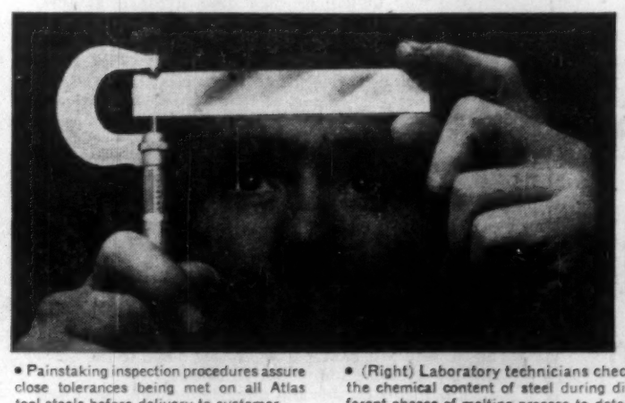
• Expert hammermen shape tool steels to a wide variety of shapes and sizes. This 8000 pound air hammer, one of a battery of hammers and presses, is used for production of forged bars.

In 9 out of 10 Canadian factories, tool steels from the Atlas "Miracle Mile" keep production rolling!

• Special induction melting furnaces at Atlas enable metallurgists to create and experiment in quantities as small as 100 pounds with "custom formulated" steels to meet unusual requirements. Here operator adds alloy material through top of furnace.

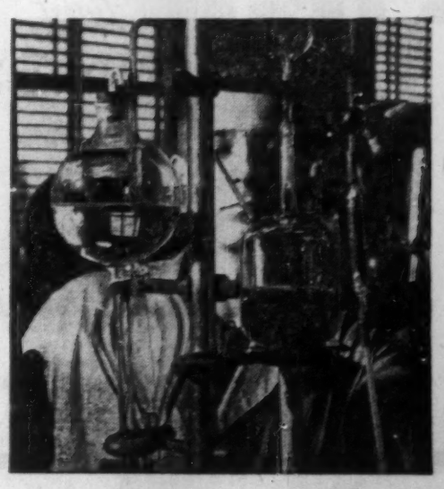


• Man at left is using optical pyrometer to measure accurately the temperature of a "heat" of molten steel. Constant checks on properties are maintained at all stages of tool steel production.



• Painstaking inspection procedures assure close tolerances being met on all Atlas tool steels before delivery to customer.

• (Right) Laboratory technicians check the chemical content of steel during different phases of melting process to determine final analysis of each "melt" at time of pouring.



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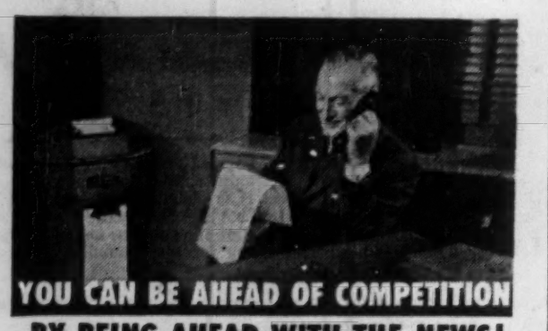

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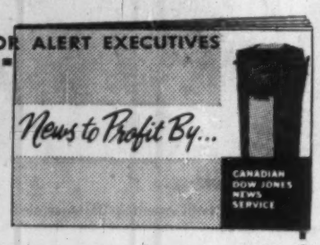

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Your Taxes

An exclusive FP column of comment on the trends in personal and business taxation.

By JOHN G. McDONALD

Must File A Return If Ottawa Requests

Corporations are required by law to file an income tax return every year even if they are in a loss position and no tax is payable.

Individuals, however, are not obliged to file a return if their net income for the year is less than the total of personal exemptions.

The exception to this rule is that a return must be filed by an individual upon receipt of a written demand from the Department of National Revenue served personally or by registered letter. The penalty for default is a fine of not less than $200 and not more than $10,000, plus a possible prison term not exceeding six months.

The validity of the Income Tax Act provisions governing this point was affirmed by the Ontario Court of Appeal recently in the case of **Regina v. O'Donnell.**

Mr. McDonald is associated with the legal firm McCarthy & McCarthy and is a lecturer in taxation at Osgoode Hall Law School, Toronto.

Loan Guarantees Can Cause Trouble

If a taxpayer receives a commission or fee for guaranteeing repayment of a loan to a third party, the commission or fee is taxable as income. This is so whether or not guaranteeing loans has any connection with the taxpayer's business.

But if the borrower defaults and the guarantor of the loan is called, the amount he pays is not deductible in computing his income for tax purposes unless guaranteeing loans is an "integral part" of his business.

This is the effect of the Income Tax Appeal Board decision in **No. 474 v. Minister of National Revenue.** In that case a firm of solicitors had guaranteed 98 bank loans in 1953 and 1954. In 1954 they were called for $6,000 on one contract and asserted the right to deduct this amount in computing taxable income.

The object of their accommodating approach to life was to maintain the flow of mortgage business in which they specialized and, in the case of the loan that failed, to keep afloat a client who was expected to furnish them with profitable legal work.

Heads They Win, Tails You Lose

The board dismissed their appeal on the ground that guaranteeing loans was not part of their "ordinary business" but was only "ancillary to" their legal practice — and therefore their loss was not a deductible expense incurred for the purpose of earning income.

With all respect to the board, it is difficult to ascertain any other purpose the law firm could have had in underwriting so many loans in so short a period.

Furthermore, the question may reasonably be put as to how many financial transactions there must be before loan accommodation becomes an integral part of a business and ceases to be merely ancillary to that business. Must one become a professional money-lender?

The irony of Case No. 474 becomes apparent upon comparison of it with the many capital gain cases in which a single transaction has been held by the board to be "an adventure or concern in the nature of trade" and therefore a "business" within the meaning of the Income Tax Act.

To mix metaphors about this, it seems to us that in tax matters sauce for the goose ought to be sauce for the gander — and the Minister of National Revenue should not be allowed to have his cake and eat it.

Taxes Here Easy: Look At Africa

Canadians at home may think that the Income Tax Act is a tough statute. After all, every taxable dollar we earn over $10,000 a year is taxed at the rate of 33%— and so on up to 78% for the handful of people who earn more than $400,000.

In case any should think that these high rates are reserved for the rich, it should be pointed out that many a factory worker will pay tax at the rate of 22%-26% on his next raise. In fact, the rates of income tax are so high that 75% of our national revenue from personal income taxes is paid by people earning less than $6,000 a year.

But to get back to the point, Canadians abroad find that the home fires aren't so bad after all!

Take the case of Mr. Williamson — the Canadian diamond king of Africa. His current troubles are reflected in the case of **Tanganyika Commissioner of Income Tax v. Williamson Diamonds Ltd.** decided by the Privy Council in England.

The Tanganyika tax authorities had directed that although Williamson's company had not paid a dividend in 1950, it had plenty of profits with which to do so — and therefore was **deemed** to have paid dividends equal to 60% of its profits.

"In other words, Mr. Williamson, although you didn't receive any dividends from your company, we'll pretend that you did and tax you on the imaginary income."

The African colonial tax authorities are allowed to do this sort of thing under their law.

At home in Canada we once had such a provision in the Income War Tax Act, but it was dropped by the wayside in 1948 when the present Income Tax Act was enacted.

The Americans still have such authority — and their revenue authorities don't hesitate to use it whenever they find an Andrew Carnegie in their midst.

We abandoned this variety of capital tax 10 years ago without realizing how effective it could be as an instrument for the confiscation of good fortune.

Those of us who have faith in the principle that enlightened self-interest will best serve the community, should take heart in the knowledge that Canadian law does not yet confiscate the fruits of hard work and intelligent management.

ANNOUNCEMENT

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GEORGE C. MORRISON

George C. Morrison, of Montreal, has been appointed secretary-treasurer of Liquid Carbonic Canadian Corporation Limited and of Imperial Oxygen Limited, with headquarters in Montreal at the head offices of the two companies. After four and a half years' war service as a pilot with the RCAF, Mr. Morrison graduated in chartered accountancy and has since been with several large industrial companies.

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INVESTMENT IN PRACTICE

Common investment problems . . .

BY PATHFINDER

Case No. 6:

Many people have had experience investing as a result of a tip. Few have found this method to be profitable over the long run.

All the professional investors — insurance companies, mutual funds, etc. — and an ever-growing number of individuals operate on a planned investment program which does not rely on tips.

This helps offset the troubles that arise from impulse-buying or panic-triggered selling.

But where, asks a client, does a person start if he wants to follow a planned program of investing?

Comment:

Each individual will have his own starting point depending on how much he already knows. If the simple terms and mechanics of investing have been mastered, then the starting point for most people is a glance at Canada. This country's development is the basis of any well-conceived plan of investing.

There are many facts to note about Canada—both good and bad. Foremost among these is the population growth. This year the net number of new consumers will probably equal 400,000. If these were all grouped together they would comprise a major city.

Consider the amount of capital equipment—roads, houses, sewers etc., that would be required! This rapid population growth has many implications for the alert investor.

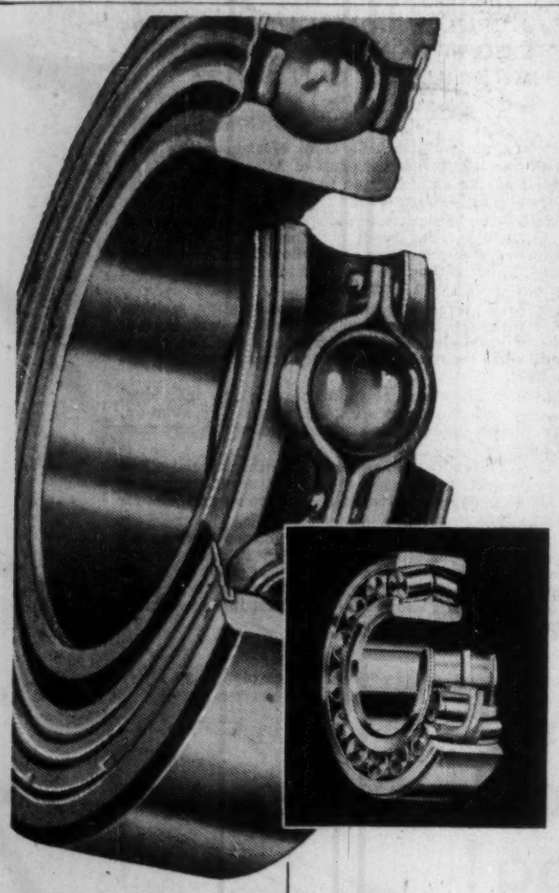
The way Canadians earn their living is another important subject.

Our basic industries serve either the Canadian market alone, in which case they may suffer from small demand in relation to the capital involved, or they export a large part of their output. In this case the industry is subject to the stresses and strains of international trade.

Secondary industry similarly must be looked at closely from various points of view such as markets, tariff protection, labor content, etc.

Most of these factors can be observed in the figures put out by the Dominion Bureau of Statistics which are available to everyone. Many of the key figures are brought together in the National Accounts which summarize the way Canadians earn money and how they spend it together with the amount saved. These figures form the foundation of any sound investment program, before getting down to the business of selecting individual securities.

Comments on this and other investment questions are to be found in the 80-page book "How To Invest For Bigger Profits" by Pathfinder, now available for $2 a copy from The Financial Post, 481 University Avenue, Toronto 2, Canada.



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SAFETY GLASS — SPANDRELITE — TWINDOW

ANNOUNCEMENT

MONTREAL TRUST COMPANY APPOINTMENT

W. B. WALKER

Montreal Trust Company announces the appointment of W. B. Walker as manager of the stock transfer department at Montreal. Previous to his appointment as assistant manager of the department in 1951, Mr. Walker had extensive stock transfer experience at the company's Toronto Office.

Growth

Manufacturing plants new to Canada, expansions of existing industry across the nation

Areas, industries are invited to report their progress in this column

Business Pointers

There seems to be a growing feeling among economists that the present levelling-off in business conditions is of limited duration. Two pointers which serve to support this impression come from recent provincial economic reports:

Alberta: It is felt that the levelling off is largely due to credit restriction or so-called "tight money" policies, and that business will resume its upward course after a period of consolidation.

British Columbia: This year is not as buoyant in many important sectors, particularly forestry and mining. But prospects for future industrial development continue to be very bright.

Alberta reports that in the first nine months of this year, business was generally holding its own with 1956.

Farm cash income was slightly higher than the year before. Mineral production was practically unchanged but would reflect decline in crude oil exports.

Retail and wholesale sales were maintaining 1956 volume. Manufacturing industries production and employment were higher than a year ago.

Building permits, construction employment and building supply company sales had fallen off.

More electricity was generated, and bank clearings, life insurance and new motor vehicle sales were up.

* * *

More Jobs, More People

The B. C. report pointed out that although the total number of persons employed in the province in late summer had been greater than at any previous period, a sharp increase in population and in the available labor force had resulted in more persons unemployed than was normal for that time of the year.

Construction activity during the third quarter was at a moderately high level for the province as a whole.

While the main business and industrial centres of Vancouver and Victoria had seen their construction volumes decline from the record high set in 1956, the secondary industrial centres, particularly in the north, had experienced a rise in construction activity.

Department store sales had maintained fairly high levels. Motor vehicle sales were down.

Other indicators of business activity, such as gasoline and electric power consumption, volume of bank debits and life insurance sales had been maintained at reasonable levels.

Two economic sore points:

Forestry production: Markets were only fair. Little time had been lost due to forest closure or other work stoppages and there had been over-production in most sections of the lumber, plywood and pulp and paper industries, resulting in lay-offs and reduction of shifts.

Mining: It has suffered heavily this year from world price reductions, especially in respect to base metals.

* * *

New Baking Lines

Pillsbury Canada Ltd. plans construction of a new plant in Midland, Ont. The modern 35,000 sq. ft. structure will house lines for the production of cake mixes and refrigerated fresh dough products.

Located adjacent to the company's flour mill in Midland, it's stated that the refrigerated fresh dough installation will be one of the first of its kind in Canada.

A relatively new industry, sale of refrigerated baking products has increased rapidly in recent years both in this country and in the U. S. The refrigerated product line to be manufactured at Midland includes sweet-milk and buttermilk biscuits, cinnamon rolls and three flavors of cookie doughs.

"Our production will not have to be limited to these items," states Executive Vice-President Pinchin. "We are planning construction of this plant so that we can introduce additional new products in the future in both the mix and refrigerated products lines."

"As soon as our new plant goes into production, we will extend distribution of these products beyond our present marketing areas."

Kraft Foods Co. of Canada will handle distribution of refrigerated products for Pillsbury.

* * *

Score For Lakehead

Lakehead Newsprint Ltd., a new industrial enterprise, now is in operation at the plant of the **Great Lakes Paper Co.** at Fort William, Ont.

Northwestern Ontario Development Association reports that, with a production capacity of approximately 18,000 tons of sheet paper per year, the company will supply a wide market, principally in mid-western U. S.

Lakehead Newsprint is operating in plant quarters leased from Great Lakes and is using newsprint rolls from the big mill.

Essentially, the operation involves conversion of rolled newsprint to flat sheets for flatbed printing purposes and smaller sizes for school and other supplies.

Rotary and flat cutters are installed, offices established and production well launched.

Lakehead Newsprint Ltd. is a subsidiary of **Newsprint Specialities Corp.** of Three Rivers, Quebec, where a similar operation is under way at the plant of the St. Lawrence Corp.

The Lakehead company will serve many of the market centres previously supplied from Three Rivers.

The latter will concentrate on eastern markets.

* * *

More Campbell Products

As part of a continuing expansion program, **Campbell Soup Co.** announces additions to facilities in the Greater Toronto area to take care of increased sales and an expanded line of products.

At New Toronto, modern buildings will shortly be erected as an extension to the existing warehouse facilities and will cover an area of 220,000 sq. ft.

This new addition will be equipped with truck dock facilities and designed for the use of fork-lift trucks in conjunction with a palletizing operation.

The power plant will be enlarged to house a new 60,000-pound boiler designed for coal firing using a spreader stoker. A new 200-ft. radial brick stack also will be erected.

In the Milton-Cooksville area, an agricultural research building will be erected to provide expanded laboratory facilities for the Agricultural Research Department and the Agricultural Department.

A greenhouse will be included in this project.

* * *

Oil from Rapeseed

Oil from rapeseed will be the mainstay of a new industry in Saskatoon.

A firm called **H. Lyone Industries** is in the process of formation by Harry Lyone, of Saskatoon.

It will bottle and distribute a cooking and salad oil made from rapeseed, and is expected to be in full operation early in 1958.

The product is to be sold in western Canada and northern Ontario under the name of "Colza."

It is made in Saskatoon by the Vegetable Oils division of **Saskatchewan Wheat Pool**, which does the work for a Moose Jaw firm, **J. Gordon Ross Syndicate.**

* * *

Cdn. Division First

A Canadian division will be the first of several planned for **Shaffer Western Hemisphere Inc.**, a new corporation formed by **Shaffer Tool Works**, major U. S. manufacturer of high-pressure control equipment and down-hole drilling and fishing tools for the oil industry.

The new corporation was organized to facilitate Shaffer operations in the various oil and gas countries of the Western Hemisphere. Ground has been broken in Edmonton for construction of an office and warehouse building for the Canadian division.

The new shop and office building will be located at 5823-103 A Street, Edmonton and manager is John T. Monks, Jr.

Additional divisions of the new corporation will be formed for handling other Western Hemisphere activities of Shaffer's world-wide sales and development operations.

* * *

Briefs

Beisinger Industries Ltd., Kitchener, Ont. has purchased the manufacturing rights of **Cowan & Co.** Besides the manufacturing, repair and supply of parts for **Jackson - Cochrane** woodworking machines, BIL is now also building and repairing parts and providing service on the Cowan & Co. woodworking and sawmill machines.

Union Carbide Canada Ltd. has awarded an excavation and substructure contract for its new head office building on Eglinton Ave. East, Toronto to **Perini Ltd.**, Toronto.

Hollywood Homes, mobile division is now in production in Windsor, Ont. First unit off the line went to Elliot Lake, Ont., the second to Edmonton.

The mobile homes, ranging in price from $6,000 to $8,500, come complete with refrigerator, stove, exhaust fans, etc.

Dominion Fasteners Ltd. has completed an extension at its Hamilton plant which increases by 25% more its facilities for the warehousing and production of Tinnerman speed nut brand fasteners and other spring steel fastening devices.

Bank Staff Changes

Commerce:

T. E. ATKINSON, to be accountant, Neepawa, Man.

J. E. R. BOUCLIN, to be accountant, St. Laurent, Que.

W. I. BRADLEY, accountant, Melfort, Sask., to be manager, Milestone, Sask.

A. E. S. BRUER, to be an audit officer, regional office, Toronto.

W. M. CURRIE, regional superintendent, regional office, Winnipeg, to be assistant general manager, regional office, Winnipeg.

R. E. JARDINE, accountant, St. Laurent, Que., to be manager, Ayer's Cliff, Que.

C. H. JOHNSON, accountant, Claresholm, Alta., to be manager, Fairview, Alta.

W. J. KOZAK, accountant, 124th St. & 118th Ave., Edmonton, to be accountant, Claresholm, Alta.

R. G. MILLER, regional superintendent, regional office, Vancouver, to be assistant general manager, regional office, Vancouver.

G. G. McKAY, formerly accountant, Long Branch, Ont., to be manager, Cobourg, Ont.

J. R. McSHERRY, accountant, Montreal, to be accountant, Toronto.

E. A. STASYK, to be accountant, 124th St. & 118th Ave., Edmonton.

R. J. WUNDERLICH, to be accountant, Melfort, Sask.

CERTIFICATE OF REGISTRY

Notice is hereby given that American Surety Company of New York has received from the Department of Insurance, Ottawa, Certificate of Registry No. C.1983 authorizing it to transact in Canada the business of Boiler Insurance (excluding Machinery), Full Explosion Insurance, Plate Glass Insurance and Real Property Insurance in addition to the classes for which it is already registered.

Dated at Toronto, Ontario, November 25th, 1957.

John B. Alexander,
Manager for Canada.

AMERICAN MANUFACTURERS MUTUAL INSURANCE COMPANY

NOTICE OF APPLICATION FOR RELEASE OF ASSETS IN CANADA

The American Manufacturers Mutual Insurance Company, a New York corporation, having decided to discontinue business in Canada will make application on January 20, 1958 to the Minister of Finance for the release of its assets on deposit in Canada under the provisions of Section 35, Foreign Insurance Companies Act, Chapter 125 R.S. 1952.

American Manufacturers Mutual Insurance Company has transferred its outstanding policies in Canada by means of a 100% reinsurance agreement dated December 31, 1956 to Lumbermens Mutual Casualty Company, an Illinois corporation registered and authorized to do business in Canada.

American Manufacturers Mutual Insurance Company's policy-holders in Canada if opposed to said release of assets, are called upon to file their opposition with the Minister of Finance on or before January 20, 1958.

L. J. FLORA,
Resident Secretary.

Dated this 28th day of September, 1957.

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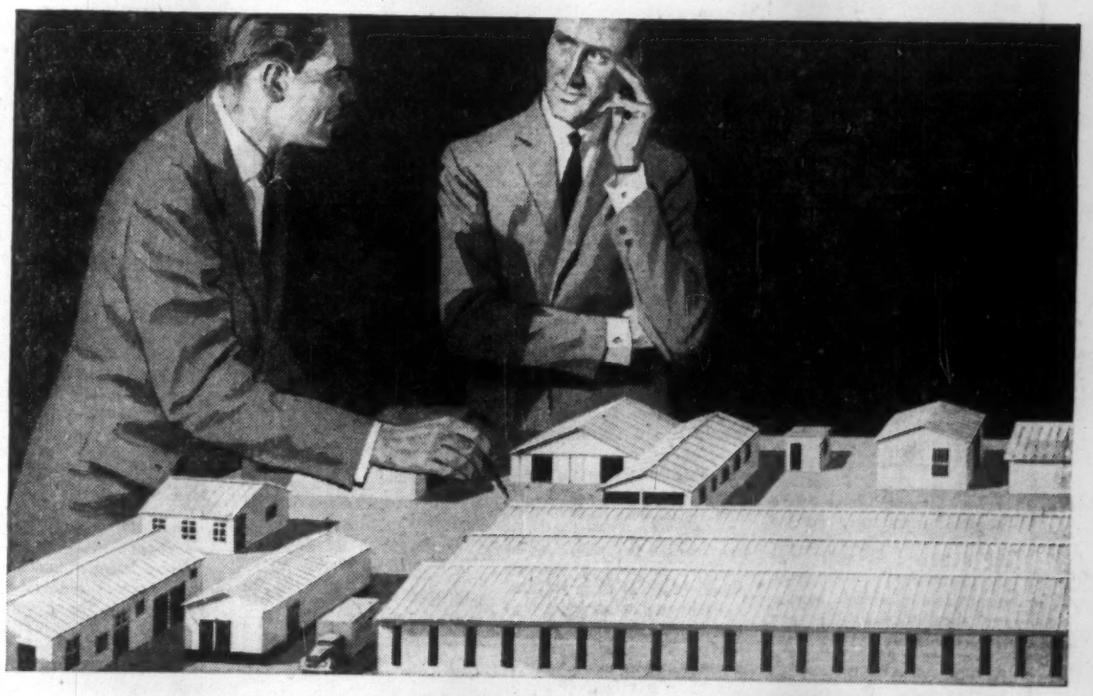

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Levelling-off in Business Should be Taken in Stride

Need More Emphasis On Selling Canadian Goods Abroad

"All Things Considered, No Country In The World, Has More Reason For Faith In Its Future"—C. Sydney Frost, President of The Bank of Nova Scotia at 126th Annual Meeting

AS 1957 draws to a close, we find ourselves in a quite different economic climate from that of a year ago. Then we were coming to the end of another year of remarkable expansion. For the second year in a row the gross national product had shown a striking increase of close to 10%. We had in fact been putting too great a strain on our supplies of manpower and materials. As a result, prices had risen significantly over the year, and inflation was a major cause of concern to those interested in the country's economic health.

C. SYDNEY FROST
President
The Bank of Nova Scotia

Now the situation has changed. The forces of expansion have lost a good deal of their steam, inflationary pressures have eased, and the general trend of business has definitely levelled out, if it has not turned slightly downward. Taking into account the small wheat crop, it seems clear that the gross national product for 1957 will show only a modest increase over last year's record of nearly $30 billions.

Before going on to review and analyze some of the influences behind the recent economic trend, I should like to make it quite clear that I see no reason for the acute anxiety that is being expressed in some quarters. The very fact that a country of our population has achieved a gross national product of $30 billions ought to help us to keep our perspective. In ten years the volume of our total national production of goods and services has increased by no less than 50%. Even since 1954 the increase has been about 17%. In per capita terms this has meant a significant further rise in the average standard of living of Canadians.

As I have already suggested, we were trying for a time to go ahead too fast. A certain amount of inflation developed, and for the past two years the policy of the monetary authorities has been aimed at trying to restrain excessive demands and speculative tendencies. We are now experiencing a readjustment as a result of various stresses and imbalances which developed in our overworked economy. There is no question, however, about the basic soundness of that economy. And the fact that the policy of restraint checked at least some excesses is a favourable element in the outlook.

Reasons for Change in Economic Climate

The main factors responsible for the change in the business environment are fairly obvious. First and foremost is the easing in world markets for basic commodities. World capacity to produce many important industrial materials has increased substantially in the past few years. At the same time, demand in both the United States and Western Europe has become a little less buoyant, partly because of the widespread use of restraining monetary policies. The combined effects of these developments have become increasingly apparent in Canada's export trade. Lumber exports have been falling for a year and a half. The value of copper shipments has declined this year, largely because of much lower prices. More recently, nickel, aluminum, oil, and wood pulp have been affected by weaker demand. And of course wheat has been facing serious problems again, after the temporary upswing in shipments in 1956. The rising flow of uranium is one of the few really strong spots in the export picture.

The fact is that for the first time in the postwar period, most of the main export products of Canada's forests, farms and mines are facing at least some degree of market weakness at the same time. Export income has been affected as well by the premium on the Canadian dollar, which has been close to or above 4% for the better part of a year. Thus total export income since the first quarter of the year has been little if any larger than a year ago.

The other major element in the less buoyant state of affairs is that, although the total income of Canadian consumers has continued to rise, they have not been spending quite as large a proportion of it as in the past few years. Higher food prices and the steady rise in the prices of a wide variety of services have been absorbing more of people's incomes, and there has been a tendency to spend the remainder less freely, particularly on durable goods.

Consumers seem to have become less willing to go into debt. This year, new instalment obligations have been very little larger than repayments, and the long upward sweep in the total amount of consumer credit outstanding has finally levelled out. This is a healthy sign and a cause of satisfaction to those of us who in the past few years have been concerned about the rapid rise of consumer debt and the need for more personal saving. But at the same time, the contraction in demand for television sets, household appliances and automobiles has had noticeable repercussions on the businesses engaged in manufacturing and distributing them.

Widespread Effects of Easier Demand

The changing market situation has made itself felt in many ways. In a number of industries the profit picture has become less favourable, with many costs continuing to rise and increasing difficulty in passing them on because of weaker markets. Less buoyant sales—and the tightness of credit—have led to more conservative inventory policies. There has been a definite levelling-off in manufacturers' stocks of materials. At the same time there appears to have been some unintentional accumulation of finished goods inventories, resulting from the failure of sales to come up to expectations. In these circumstances, business opinion has become more uncertain, and the uncertainty has been reflected in the weakening of stock-market prices since July.

The general easing of demand, including this year's lower level of housebuilding, has been reflected not only in below-capacity operations in a widening range of industries, but also in a halt to the upsurge of imports. The upward climb of the past two years or more, associated largely with the capital investment boom, flattened out in the second quarter of the year, and the total volume of imports since March has actually been a little lower than a year earlier.

One other indication that inflationary pressures have pretty well spent their force is the behaviour of prices. Attention has been centred on the widespread declines in basic commodity prices. Many of these are now substantially below what they were a year ago, and the average level of U.S. spot primary market prices is down more than 8%. The drop in primary prices is beginning to be reflected in the general wholesale price indexes in both Canada and the United States. The Canadian index ceased rising some months ago and is now slightly below the year-ago level. Though the consumer price index rose again at October 1, the latest date for which figures are available, the rise was very slight, and a levelling out or even a decline in the next few months would not be surprising.

Meanwhile, pressure on the labour market has disappeared. One reason for this is the near-record influx of immigrants in the early part of this year. Even though action was taken during the summer to slow down the flow and thus prevent people from arriving during the winter months of seasonally low employment, the year's total immigration promises to be the largest in more than 40 years. Employment has continued to increase, but not fast enough to keep up with the growing labour force, and seasonal unemployment is likely to be more of a problem during the coming winter than it has been for some years.

Areas of Strength in Business Picture

While there are thus many indications that a readjustment is in progress in Canada, we should be taking a very one-sided view if we failed to recognize the important areas of strength in the business picture. Some types of mineral production, notably uranium and natural gas, are expanding rapidly. Consumer income is at an all-time high and is continuing to rise, though at a somewhat slower rate than in the past couple of years. Most service and distributive trades are very busy. Certain manufacturing industries, including those making food products, steel pipe and heavy electrical equipment, show little or no sign of slackening. And activity in many kinds of non-residential construction is strongly sustained.

It is true that some decline in the total capital investment program in 1958 is now fairly generally expected. Capital outlays for primary mineral development and in the manufacturing sector as a whole will probably, in fact, be down significantly. Many firms have been financing their capital expenditures largely out of retained earnings and the squeeze on profits is likely to have a restraining effect on new investment plans. The appearance of excess capacity is also a deterrent to further expansion.

On the sustaining side, however, it should be remembered that, although a number of big projects are now coming to an end, several very large ones, including the Seaway and the Trans-Canada gas pipeline, will be carrying on through next year. There are numerous other projects, too, which are almost bound to be carried to completion regardless of short-term economic developments. Spending on electric power facilities and other utilities will undoubtedly continue high. Big programs of social construction of many kinds—roads, schools, hospitals, and so on—are in prospect; and housebuilding is now picking up moderately. Thus, even with a marked falling-off in spending on resource development projects and in certain manufacturing lines, the total capital investment program will probably still be very large. Indeed, for the full year it may be only moderately below this year's extraordinary record, which is expected to be somewhere in the neighbourhood of $8¾ billions. We should, however, be prepared to find the year-to-year decline in expenditures greater in the second half of the year than in the first half if, as seems likely, fewer large new projects are initiated to take the place of those being brought to completion.

The balance between the elements of strength and the elements of weakness in our economy in the year ahead will naturally be heavily affected by what happens in the United States and in the rest of the world. The state of world demand for basic materials is of course crucial. So is the level of economic activity in the United States. Developments there, including defence policy, will be of decisive importance in determining whether or not the present readjustment turns out, as we all hope it will, to be a short-lived and moderate one.

Essential to Face Facts But Keep Perspective

It is only sensible to face the fact that ahead of us is a period in which things are likely to be more difficult than they have been in the past few years. Since the war, demand for many of our goods, particularly raw and semi-processed industrial materials, has been so insistent that in some cases they have practically sold themselves, and we may have become a bit complacent. Now, however, we will obviously have to place more emphasis on selling and send our salesmen into foreign markets to a greater extent than we have been doing.

Throughout the postwar period, too, we have enjoyed a particularly favourable climate for expansion all along the line. We have perhaps begun to take rapid growth too much as a matter of course. It may be salutary to remind ourselves that economic growth is not a smoothly flowing process, and that pauses and periods of consolidation are bound to occur in the course of development.

I think we should also recognize that we could not expect to have a capital investment boom of the sort we have been experiencing recently without some eventual readjustment. Looking back at the extraordinary amount of development that has taken place in Canada in a few short years, we can now see that doing so much so fast not only imposed strains on the economy but also brought a level of capital spending which was probably too big to be sustained for very long. The degree of inflation we have experienced, particularly in building costs, our huge trading deficit, and the enormous inflow of capital are all symptoms that the boom was getting somewhat out of hand. Unpleasant as this correction may be, it is better to have a moderate shake-down now rather than a more severe one later on.

What appears to be in prospect is a levelling-out in our exports and some moderate decline in capital investment from the extraordinarily high figures of the past year or two. Surely this is something we should be able to take in stride.

Long-term Prospects Bright

Apart from increased uncertainties in the international sphere in this new age of intercontinental missiles and space satellites, there is no reason to feel that long-term prospects are any less encouraging for Canada than they were a year ago. The surge of population growth that has been set in motion by the high postwar birth rate will give fresh impetus to the economy in a few years' time when the wave of children now straining educational facilities to the uttermost begin to marry and found families, and the momentum of growth will carry on into the decades ahead. Another expansive influence in our own Canadian environment as well as in the world at large is the very rapid pace of technological change. Recent events have underlined the necessity for expanded research and scientific development in the sort of world we live in, and this has implications not only in the area of defence but for industry generally. Nor should we forget that, whatever the short-term fluctuations of demand, Canada is richly endowed with supplies of many basic products that will be increasingly needed by a rapidly industrializing world.

All things considered, no country in the world has more reason for faith in its future. The degree of inflation we have had and the downturn we are now facing are reminders, however, that the problems ahead are unlikely to be either few or simple. To achieve a healthy rate of growth and to maintain a reasonable degree of stability in the price level at the same time is no easy task. Good management and good judgment on the part of government, of business and of the public at large, and a balanced appraisal of the facts and prospects, will be essential if we are to meet the challenge.

Time Passed for Emphasis on Monetary Restraint

At the same time, I believe it is quite clear that the time for emphasis on monetary restraint has passed. Now that the upsurge of the past few years has levelled out, that the speculative atmosphere has been replaced by a more questioning environment, and that declines are evident in a number of industries, it is in order to loosen the bonds of monetary restraint and to bring about some easing in the supply of money and credit.

In fact there has already been in recent weeks a pronounced downward movement on bond yields. The wave of demand for investment capital may be passing its peak, while the supply of new savings appears to have been well sustained. Yields on provincial and municipal bonds have dropped appreciably, a welcome development in view of the continued heavy burden of borrowing to be borne by our local governments. Widespread anticipations of easing business conditions have also led to a sharp decline in Government of Canada bond yields, particularly in the medium-term maturities.

So far the change in monetary conditions is most striking in the bond market. General bank loans have remained very close to normal seasonal levels, and while there may be some slackening in the demand for loans it is not yet apparent in the figures. The chartered banks' cash reserves, on which rests their ability to supply credit, have been little or no larger than a year ago. There has been some improvement in certain liquid holdings other than cash, partly due to the decline in stock market loans, and partly due to the temporary influences associated with recent government financing. While medium-term yields have dropped by 1%, the rate on Treasury Bills—the shortest kind of government security—has fallen somewhat less.

In response to these changes, a reduction in the prime rate on commercial loans has just been made by the chartered banks. Though the Bank of Canada has not been in a position to fly the traditional signal of a reduction in the Bank Rate, the general indications do suggest a trend toward somewhat easier monetary conditions. These developments may be expected to influence gradually the availability of bank credit. And in this connection I should like to add that so far as small and medium-sized borrowers are concerned we in this Bank shall continue, as we have all along, to look after the reasonable and proper commercial banking requirements of our customers.

Easing Tendency Should Not Go To Extremes

While some easing of monetary conditions is certainly desirable, the situation does not call for a sharp increase in the money supply. The economy is far from being in a tailspin, there are many elements of strength, and there is still a strong underlying pulse of growth in this country. In my view, some of the concern which has been expressed recently is just as far off the mark as some of the excessive optimism that was not uncommon less than a year ago. As the President has emphasized, perspective is essential. The easing of monetary policy should not go to extremes. To make available a much greater supply of money than can be used in carrying out well-conceived productive activities would simply lay the basis for renewed inflation some time hence. In any case, monetary policy cannot work miracles: it can have comparatively little effect on the external demand for Canadian products, where much of our present difficulty lies, and its influence on the domestic economy can only be gradual.

While an appropriate monetary policy can certainly contribute to economic balance, our progress and well-being in future, as in the past, will depend on our productivity. There are no substitutes for greater efficiency, for better organization, for better marketing and for well-applied hard work. This is a fundamental truth which I believe we should do well to keep always in the forefront of our thinking.

Growth of Staff and Branches

In keeping with the Bank's growth of deposits and assets and in the volume of our business generally, the staff has increased, we have added further to our branch representation and we have improved and expanded existing premises. As at the year end, the number of men and women working for the Bank passed the 7,000 mark, which represents an increase of approximately 5% over the year. While we were successful in obtaining the services of a considerable number of promising young men, the women continue to represent the larger group and are now about 57% of the total staff.

During the year, eighteen new branches were opened and one closed, bringing the total to 517. By these additions, we improved our representation particularly in and around some of the big cities and, in our external operations, we opened a second branch in London, England. We are still carrying forward a large program of improving the efficiency and attractiveness of our premises. Worthy of special mention are new larger buildings completed during the year at Fredericton and Bloor and Spadina, Toronto, and the major renovations at Sudbury and at the main branch at Ottawa. In the South, the offices at Bridgetown, Barbados, and Nassau, Bahamas, are now located in fine permanent premises and in Winnipeg the same is true at Portage and Kennedy Branch. At such widely separated points as Kingston, Jamaica, and Vancouver our principal offices are in the course of being expanded and much improved. At Edmonton a new building for the main branch is also nearing completion.

Human Relations Key Factor in Banking

Buildings of steel and glass and stone, no matter how attractive they may be, do not by themselves tell the story of the Bank's growth. Behind the evidence of the financial summary stand the enthusiastic efforts of the great company of men and women who make up our staff, our shareholders and our customers. Banking business is a business that deals with people, and human relations are all important—whether it be the mutual confidence built between banker and customer, the helpful courtesy of the teller and accountant, the support and interest of shareholders, or the thoughtful help and guidance of directors—indeed, the friendly goodwill on all sides.

It is with such thoughts in mind that I want to express my sincere thanks to all the staff for their loyal and efficient service and for their devotion to The Bank of Nova Scotia. We are proud of our long and fine tradition of service, faith and foresight which our staff today is continuing to uphold and advance. We may, I believe, take even more pride in the way in which our people are responding to new challenges and in the adaptability and initiative which they are showing in the conduct of their responsibilities—what many of our customers have come to regard as the forward look in banking.

We are always on the look-out for ways of improving staff training and co-operation. In the process, we have been making a good many changes in our concepts of personnel training. Training of younger men to keep pace with the many opportunities of promotion has been given particular attention. More responsibility has been placed on our ladies and new fields are steadily opening to them.

A Word of Appreciation

I wish also to say a word of appreciation to our pensioners. From year to year, familiar and loved figures leave their active positions in banking work for well-earned retirement and a few, unhappily, die in harness. We long remember their character and contribution. And our pensioners remain part of the Bank family whose loyalty and devotion represent no small part of the human assets which mean so much to our good name and development.

I wish to take this occasion, too, to thank the shareholders and their representatives, our directors, for the way they have supported the management and staff. The active and sustained interest of the directors in the Bank's business and their initiative in developing forward-looking and effective policies is a great source of strength. The increasing interest of the shareholders in the Bank as an institution, as well as a sound investment, contributes in a very real way to our vitality and progress. We appreciate this kind of interest and look for even more of it in future.

Finally, I wish to say thank you to our customers. They are in fact our business and our best advertisement for future business. Our aim is to serve them well and to think in terms of their interests whether depositors or borrowers. Their response to our efforts is the key to our future development. At this time, on behalf of all of us in the Bank, let me express our appreciation for the association we have enjoyed with our customers during the past year. In the year ahead, we pledge our continued effort to be deserving of the confidence they have placed in us.

"Doing Better Than Holding Our Own" Says General Manager

The Time For Emphasis On Monetary Restraint Has Passed, F. William Nicks Tells Shareholders

THE YEAR turned out to be another one of considerable growth for the Bank despite the general atmosphere of tight money. The results have certainly surpassed the expectations which I expressed when I last had the pleasure of standing before you. At that time, our Balance Sheet seemed to have reached a new plateau though I voiced the hope it would prove to have a gentle upward slope. In fact the slope has been more than gentle and the increase in both our Assets and Deposits amounted to almost 7% in each case. Our Total Assets now stand at $1,355 millions, representing an increase of $85 millions over the year. Deposits are up approximately the same amount, $84 millions, and reached $1,260 millions at October 31st.

F. WILLIAM NICKS
General Manager
The Bank of Nova Scotia

Significant Rise in Deposits

This is an encouraging record. We have been doing somewhat better than holding our own in our Canadian business and we have also increased our business abroad. As our statement shows, personal savings deposits rose by $21 millions over the year to nearly $609 millions. The actual increase was, however, $35 millions since certain items which formerly appeared under this heading were officially reclassified for statistical reasons. In fact, therefore, we showed a gain of 6% in personal savings deposits which is a tribute to the effective work of the staff and a reflection of the active policy of branch expansion followed for some years.

The other major change in deposits is the sharp increase of $66 millions in "Other Deposits." This increase is exaggerated because, as I mentioned a moment ago, $14 millions of it arises from a statistical reclassification and actually belongs to the increase in personal savings deposits. Of the adjusted increase of $52 millions the greater part has been in foreign currency deposits. This reflects in part the growth in business at our branches abroad and also a rather unusual situation in the foreign exchange futures market which has resulted in a temporary and considerable increase in U.S. dollar balances in Canada.

Loans and Securities are Somewhat Higher

On the asset side of the statement, the largest increase is in call loans which are up by $54 millions. The greater part of this increase occurred in call loans in New York and represents the employment of the larger foreign currency balances to which I have just referred. Current loans are up moderately, and call loans in Canada are somewhat higher.

The changes in security holdings have been mixed, though the net result is some increase in the total. The statement shows a slight decline in Government of Canada securities. This drop is actually a little greater than the figures suggest since, under a changed provision of the Bank Act made early this year, all banks are required to carry these securities at amortized book value. The former long-established rule was to report the value of securities at figures not exceeding market values. On the other hand, "Other Security" holdings increased significantly reflecting the purchase of government bonds in other countries where our deposits expanded as well as some increase in our holdings of Canadian corporate securities.

The figure for Mortgages as shown in the Statement is only beginning to reflect the substantial increase in commitments which we have made this year. While our holdings of National Housing Act mortgages show at $23 millions, our outstanding commitments at the same date were $10 millions. We are now very close to our goal for mortgage commitments this year under the agreement with the Bank of Canada made last Spring. We are also acting as agents for the Central Mortgage and Housing Corporation in processing loans for low-cost housing, under the government plans for facilitating building activity during the coming winter.

Earnings Well Sustained

After making transfers to contingency reserves and after allowing for income taxes and depreciation, net profits came to $4,743,000 which is $952,000 more than in the preceding year. Provision for dividends was $3,772,000. The larger average amount of stock outstanding and the higher average rate of distribution account for the substantial increase of $587,000 over the previous fiscal year. A balance of $971,000 was carried forward into undivided profits which now stand at $1,604,000. The total of shareholders' funds in the Bank now amounts to $70 millions.

The earning assets of the Bank increased considerably during the year and this, of course, added materially to gross revenues. It should be observed, however, that the profit margin represented by the spread between the average rate of return received on earning assets and the average rate paid on deposits narrowed during the year. Operating expenses, principally salaries, continued to increase.

Changed Monetary Position

Since this time last year there has been a notable change in the economic atmosphere. A year ago, the demands on our economy were so heavy that in a number of directions they appeared excessive. The atmosphere was generally inflationary though the refusal of the monetary authorities, both here and in other countries, to allow any significant expansion of the supply of money and credit was gradually producing a more balanced position. Today, while the structure of costs still shows a strong upward momentum, there are comparatively few industries operating at capacity, competition is keener, basic commodity prices are somewhat lower, and fewer plans for large industrial and resource projects appear to be coming forward. The picture is no longer one of excessive demands pressing upon inadequate resources. Though there is certainly a longer-range problem of inflation, it has ceased to be an immediate threat.

As the President has pointed out, the fundamental change in the Canadian economic climate has been brought about by the easing of world demands for a number of our basic export products. The influence of this falling-off in external demands would have made itself felt regardless of what monetary policies had been pursued in this country. Canada could not have insulated herself from these basic changes in world markets by injecting an excessive amount of money and credit into the economic blood stream. Such action would only have made her more vulnerable to recession by giving added momentum to cost increases and by encouraging excesses and speculation.

In other words, monetary restraint has been working for economic stability and balance by checking undue accumulation of inventories, by bridling credit excesses, by retarding poorly-based plans for expansion, and by cooling off unrealistic optimism and speculation. Indeed some may think that monetary restraint has worked too well. It has certainly not been painless. But it is well to remember that a widespread and defeatist acceptance of inflationary thinking had begun to take a strong hold and if not checked would have led to a much more difficult situation later.

THE BANK OF NOVA SCOTIA

Seaway Tolls Set 50c-$1.25 a Ton?

That's the figure quoted in Washington . . .

Special Correspondence

WASHINGTON — Fifty cents a ton for bulk commodities and $1.25 a ton for general cargo.

The toll for the St. Lawrence Seaway is going to be close, if not right at those figures. That's the word from Washington.

The chairman of the U. S. Tolls Committee, E. Reece Harrill, told FP, "Although we haven't got all our costs figured out yet, those figures look pretty good.

"If things don't get too much out of line cost-wise, I think we'll be able to meet them."

Harrill's statement has been backed up by Lewis G. Castle Administrator of the St. Lawrence Seaway Development Corporation, who said the other day in a New York speech, ". . . a toll rate of 50c per short ton on various types of bulk commodities and of $1.25 per short ton on general cargo would be reasonable."

"The resultant yearly revenue was estimated at approximately $28 million."

Harrill's U. S. Tolls Committee and Castle are under fire from two sides.

The long-time enemies of the Seaway, the Atlantic and Gulf ports and the railways, have been demanding that the Seaway be paid off within 50 years as per the U. S. legislation by tolls and some have suggested the toll rate should be standardized throughout each of the 50 years.

This latter point has been rejected by the committee, although Harrill told the FP he is convinced the toll rate he is aiming at will, in fact, pay off the cost of the Seaway in 50 years.

Firing at Harrill and Castle from the other side, the shippers, Midwest groups and other users of the Seaway have been demanding low or no tolls.

Fact Accepted

The "no toll" advocates in the U. S. have dribbled away lately, however, as they accept the fact there will be tolls charged on the Seaway.

Harrill figures his target toll rate of 50c for bulk and $1.25 for general cargo should meet approval of both the users of the Seaway and those who are in the anti-Seaway camp.

He says there is no chance whatever of keeping out of red ink in the first few years of the Seaway.

"It'll take us about 10 years to build up to the workable capacity of the Seaway," he said.

"In the early years we've got very heavy interest payments as well as operating costs, so we can't make money. But by the time 10 years roll by we'll be in black ink and will be able to pay off the cost of the Seaway in the 50-year period."

Right now, both the Canadian and U. S. tolls committees are working on costs.

It will be about April before they come up with definite toll rate recommendation.

Here's what will be done:

- The U. S. toll committee will come up with a suggested toll rate sometime this winter.
- The Canadian committee also will come up with a rate.
- The two committees will compar notes and work out the same recommended rate.
- The two committees will go to their parent bodies, the Seaway administration in each country.
- The two Seaway Administrations will announce the recommended toll rates.
- In the U. S., a special hearing will be held to explain how the toll rate was reached and to answer questions. The Canadian toll committee will be invited as observers.
- A similar Canadian hearing probably will follow with the U. S. toll committee invited as observers.
- The final toll rates will be announced so that shippers will have about one full year to make ready.

High Capacity

The U. S. toll makers figure the Seaway will have a capacity higher than 46 million tons per annum as suggested in 1953.

With a toll rate of 50c for bulk and $1.25 for general cargo, they figure annual revenue will be about $28 million.

"At this point it need only be emphasized that we have good reason to be confident that the cargo traffic potential of the Seaway is ample," Castle said recently.

"It is perhaps unnecessary to add that our corporation and the St. Lawrence Seaway Authority of Canada have no intention of establishing tolls at a level that would have the effect of discouraging traffic."

Man. Benefits From Seaway Boosted, Hit

From Our Own Correspondent

WINNIPEG — Manitoba's hopes for extensive benefits from the St. Lawrence Seaway got a boost and a knock last week.

The boost came from Ontario Premier Leslie Frost who told the Manitoba government he was supporting their request that Ottawa investigate the need for improvements at Fort William and Port Arthur to handle increased Seaway traffic.

The knock came right at home from Prof. William Parker of the University of Manitoba who said in a radio speech that in the Seaway, Canada is buying a "pig in a poke" which would give the greatest benefits to U. S. steel companies.

Prof. Parker, assistant professor of geography, said the Canadian government was carrying the biggest part of the cost of deepening the St. Lawrence waterway but the result would be to make it easier for U. S. steel interests to drain iron ore from Canada.

He doubted that any benefit would accrue to western Canada and thought few ocean going vessels would use the completed seaway.

If they did, U. S. and Canadian shipping interests and labor unions would fight to have them excluded, said the professor.

He predicted that Canadian taxpayers would have to find another $100 million to enlarge the Welland Canal to handle the increased ore shipments.

Imperial Investment Plans Stock Split, Changed Rights

Imperial Investment Corp., Vancouver, has called an extraordinary general meeting of Class A and B common shareholders to vote on an alteration in the company's share structure. The meeting is set for Dec. 10.

The shareholders will vote on a proposal to split the common shares on the basis of two for one.

If the proposal is accepted, the number of common shares outstanding will be doubled.

The share structure will consist of 1,453,738 unissued and 549,762 issued Class A shares, of maximum price $9 each, and 120 unissued and 15,880 issued Class B shares of maximum price $3.75.

The additional shares will be sent automatically to all registered shareholders.

The meeting will also be asked to approve changes which will make it possible for the company to alter class A provisions as long as at least two persons are present holding or representing by proxy at least one-third of the outstanding class A shares. Formerly approval by 75% of the outstanding "A" shares was required.

The by-law provides also that "no sanction of the holders of the class A nonvoting shares shall be required for any increase or reduction of the capital of the company, or for the creation or issuance of any shares in the capital of the company with or subject to any preferential, deferred, qualified or special rights, privileges, conditions or restrictions, whether in regard to dividends, distribution of assets, voting or otherwise."

As a result of increased earnings during first quarter ending Sept. 30 (FP Nov. 16), the quarterly dividend on the common shares is to be raised by one-third.

The dividend for the quarter will be 25c per share payable Dec. 31 to shareholders of record Dec. 13.

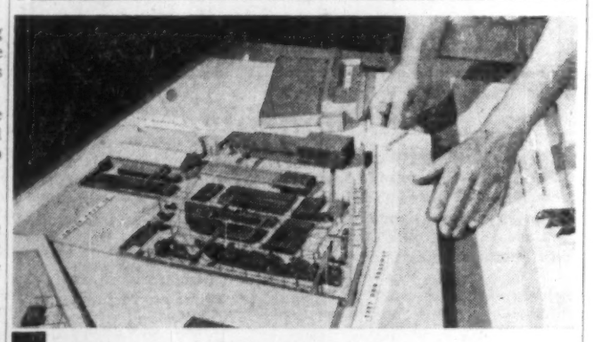
The indicated yearly dividend rate for the company is raised from 75c per share to $1 per share.

If the common shares of the company are split, the total amount of the dividend received will remain the same.

President Peter Saunders reports that the company's prospects are excellent.

Main source of the company's revenue comes from financing the sale of automobiles.

"The indications are that the sale of the 1958 models will at least equal last year," he reports.



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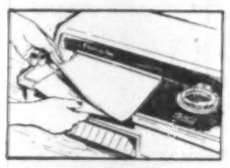

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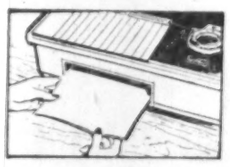

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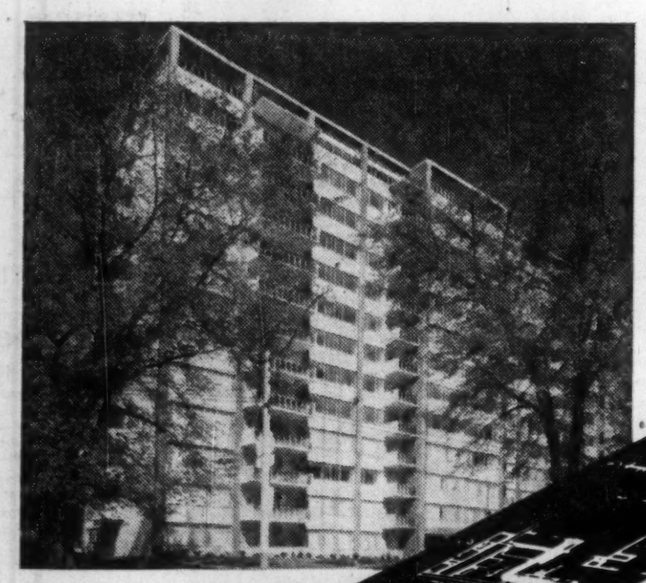

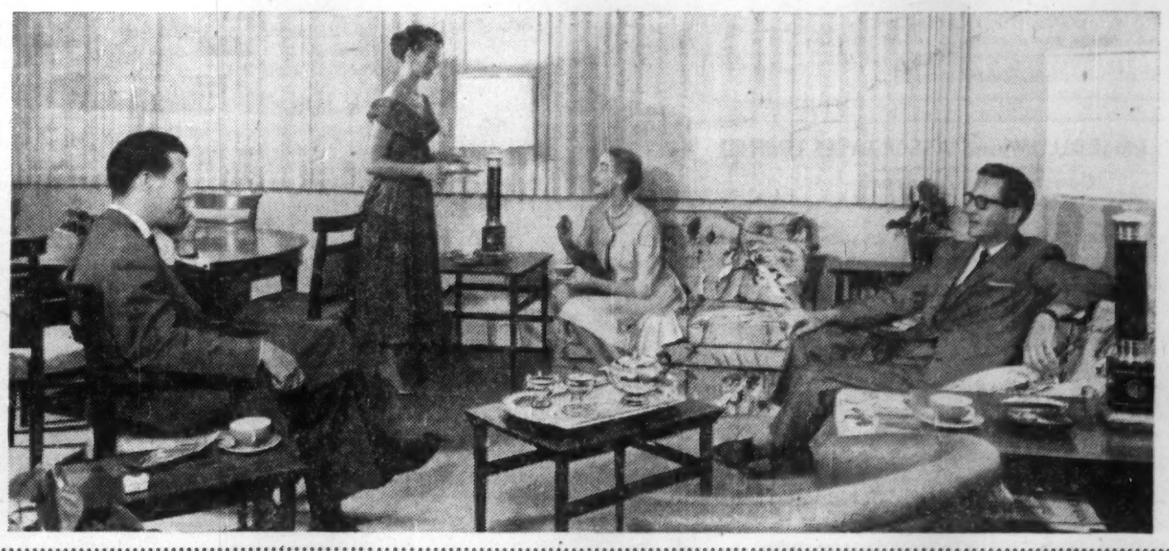

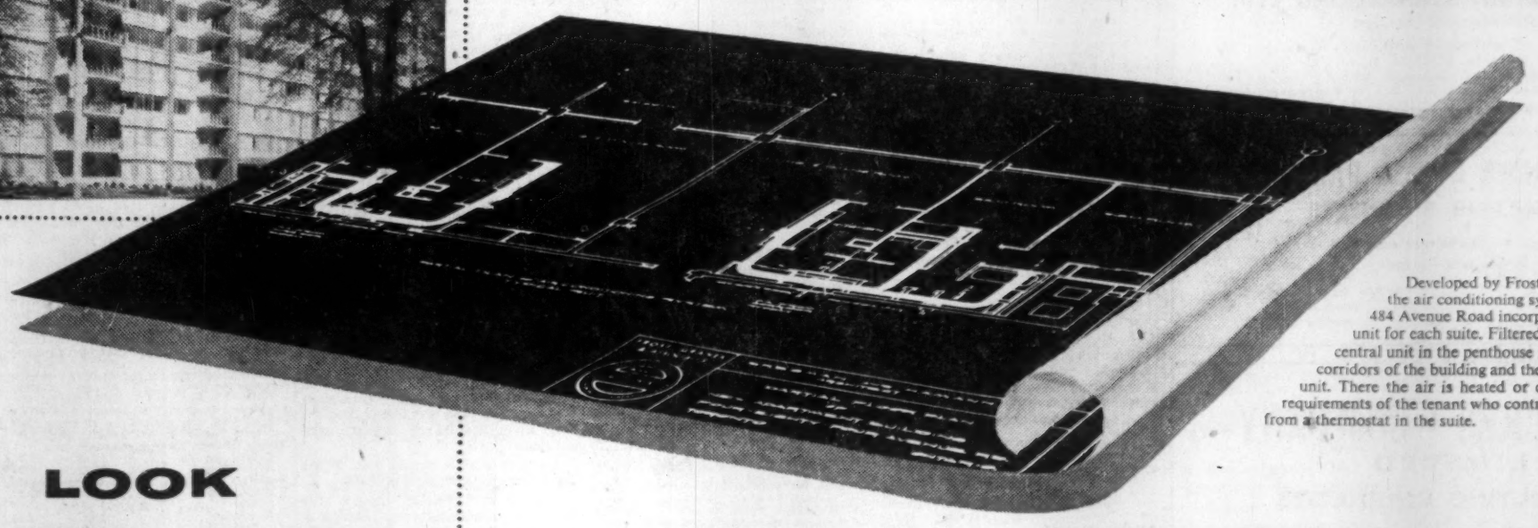

Developed by Frost, Granek & Associates, the air conditioning system employed at 484 Avenue Road incorporates an individual unit for each suite. Filtered fresh air from the central unit in the penthouse is fed through all corridors of the building and thence to each apartment unit. There the air is heated or cooled to the requirements of the tenant who controls temperatures from a thermostat in the suite.

LOOK TO THE ENGINEER

Employing the resources of science, he designs for your enduring comfort

Behind the gracious facade of a modern apartment house is operational equipment which may well represent half the total cost of the building. Boilers, compressors, condensers, burners, elevators, plumbing and fixtures. Wiring by the hundreds of miles. Duct work for heating, ventilating and air conditioning. Thermostats and relays.

These are the responsibility of the engineer on the job. And back of him stand other engineers who design this equipment. To them goes much of the credit for the new concept in comfort built into the apartment building at 484 Avenue Road, Toronto.

There, tenants enjoy the luxury of year round air conditioning . . . the first fully air-conditioned apartment building in Canada. All year long they breathe clean, "country-fresh" air, cooled in summer, warmed in winter. And to ensure superb comfort, tenants in each of the 120 suites can adjust temperatures to their own requirements. Construction is fully soundproof for restful quiet day and night. Automatic elevators serve all floors.

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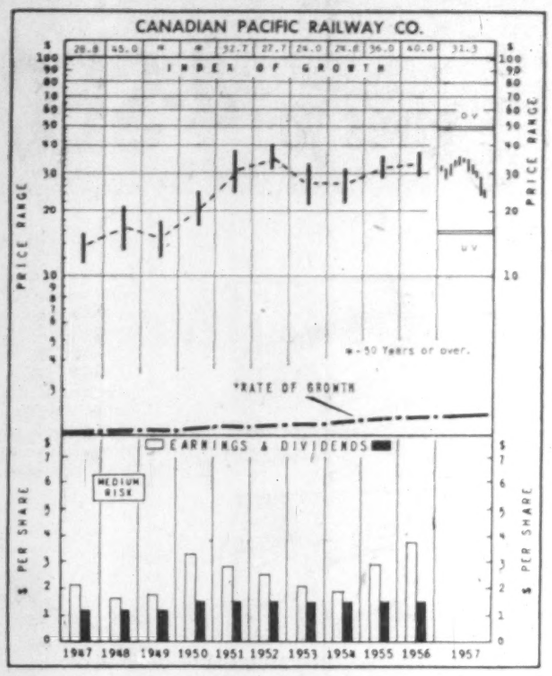
Selected Growth Stocks

— Quarterly eport —

By NESTOR

This exclusive FP series of Selected Growth Stocks was chosen by one of the continent's most prominent and successful investment advisers. The reasons for choice shown below the accompanying charts were those given when stocks were chosen in January 1953. Each will be reviewed quarterly. This series in FP does not constitute a recommendation to buy these stocks.



CPR

Canadian Pacific Railway Co., trading recently at $23¾, is 48% above UV level ($16), has room for a 102% rise before reaching OV level ($48). Price is 6.3 times 1956 earnings of $3.77, while yield at indicated dividend rate of $1.75 is 7.37%. Price this year has ranged from a low of $23½ to a high of $34¾.

Revenues from rail operations for the first 10 months of the year were down $13.9 million from the same period a year before. Net earnings were down $3.6 million.

October reports show railway revenues of $41.3 million down from $44.4 million in Oct. 1956. Net earnings for October were down to $4.8 million from $5 million the year before.

Yearly freight car loadings for both railways up to mid-Nov. were 3,588,869, 8% lower than the same period last year.

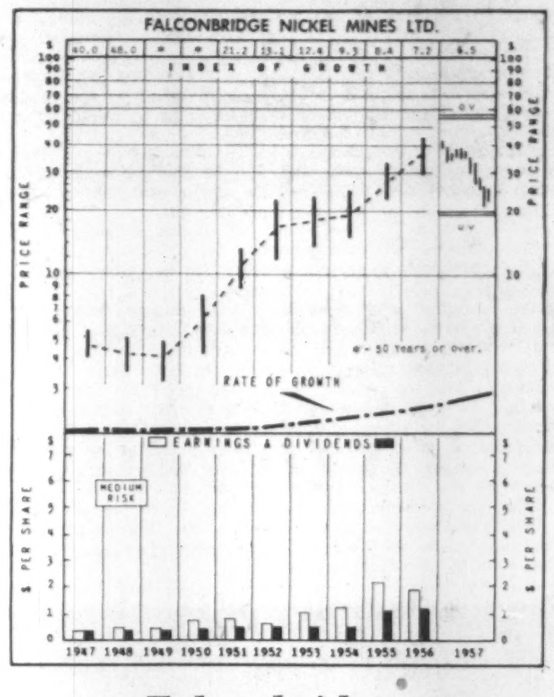
An application by both railways is now before the Board of Transport Commissioners asking for a 10%, $40 million increase in freight rates. A 4% rise was granted in July and 7% in August 1956. It was estimated the most recent application would serve to meet declining revenues and increasing costs, but the wage demands of the 150,000 non-operating railwaymen for 1958, if granted, are expected to cost both railways an additional $128 million in wages. This could lead to further freight rate increase bids. CPR's share would be $51 million.

Passenger rate increase granted Sept. 1 allows CPR some $1,650,000 annually, or an extra $485,000 in the last quarter of this year.

"Piggyback" services—truck trailers carried on flat cars—are now being undertaken by both railways between Montreal and Toronto. It is the first time "for hire" truckers have been carried in Canada.

Canadian Pacific Airlines has announced its intention to apply for transcontinental air services in direct competition with TCA. The service, if granted, would link Vancouver, Calgary, Edmonton, Saskatoon, Regina, Winnipeg, Toronto, Ottawa, and Montreal using DC-6B aircraft. CPA this year opened its Atlantic service linking Toronto-Montreal-Lisbon and Madrid. If it can get permission, it hopes to add Rome to the service. This could eventually become a complete round the world flight.

CANADIAN PACIFIC RAILWAY — Occupying a basic position in the Canadian economy through its wide transportation coverage, its 51% interest in Consolidated Mining & Smelting Co. (base metals), and its potential in large acreage holdings in Western Canada on which petroleum rights are held, Canadian Pacific appears an excellent medium for participating in Canada's economic growth.



Falconbridge

Falconbridge Nickel Mines, at recent market price of $24¾, is 24% above UV level ($20), could rise 118% before reaching OV level ($54). Price is 13 times 1956 earnings of $1.91 per share and yield is 4.8% on basis of indicated annual dividend rate of $1.20. Price range of shares this year has been between a high of $42¾ and a low of $21.

The company has declared dividend of 50c per share together with an extra 10c per share, payable Dec. 14 to shareholders of record Nov. 22. It brings 1957 dividend payments to 1956 level.

Falconbridge is moving ahead in the expansion of its major mine and production facilities. Nickel deliveries are expected to reach 55 million lb. annually by 1960, compared with 43.3 million lb. last year.

This growth is being accomplished by bringing new mines into production, building new concentrators, expanding capacity at the main Falconbridge mine and through increased capacity at the refinery in Norway.

Company now has six mines in production, the Falconbridge, McKim, Hardy, Falconbridge East, Mount Nickel and Longvack.

Production has begun at Fecunis Lake mine and planned production is 700,000 tons yearly by 1959. A new, 2,500-ton mill at Fecunis is also in initial operation, treating output from Longvack in early stages.

It is anticipated that over-all nickel production this year will be about 45 million lb., maintaining the plateau established through the past three years. However, beginning next year, greater mining, milling, smelting and refining facilities will be reflected in higher production. This growth will be continued toward the objective of 55 million lb. of nickel output by 1960.

Earnings this year have been trending higher because of the late-1956 nickel price increase of 9.5c lb. Also, the company's copper production, sold at low fixed price last year, is not suffering the full impact of lower open market copper prices this year.

However, decline in premium price for open market nickel this year is expected to reduce 2nd half earnings somewhat from the $1.25 per share profit of the first six months.

FALCONBRIDGE NICKEL—With enormous ore reserves and a planned expansion program that will materially increase operations further over the next several years, this second largest nickel producer of the world should continue to benefit both from the present strong military demand for nickel and from its constantly expanding use in industrial processes.

How to Read Nestor's Special Stock Charts

INDEX OF GROWTH: The rate at which the value of the equity behind the stock is doubling as determined by the growth rate at which it entered the year. A figure of 5.6 for the present year would indicate that at its current growth rate the equity value is doubling every 5.6 years.

PRICE RANGE: The annual high, low and mean price. Monthly ranges for the current year.

UNDERVALUATION AND OVER-VALUATION PRICE LEVELS: Shown by the narrow horizontal lines above and below the stock's price range indicating price at which the particular stock is adjusted as underestimating or overestimating its future rate of growth. A stock showing a fast-growth rate will sometimes anticipate growth by two or three years. In this case it may not be so attractive a purchase relatively as some other fast-growing stock that is not anticipating its growth beyond the immediate present. Other factors such as rate of growth and investment quality will also enter into the comparison an investor will want to make.

Without these UV and OV levels, a current quotation of say, 55 or 75 would carry no significance regarding long-range value. The UV/OV levels also permit judgment as between one stock and another. They are not designated points of purchase or sale nor do they attempt to show what will be a stock's bottom or top figures in any given year.

RATE OF GROWTH: The rate as based on Nestor's tests at which the company is showing underlying or long-term growth. This will determine the price trend of the company's common stock over a period of years and in most instances the trend of dividend payments.

**Background and principles behind the selection by Nestor were discussed in a special article in FP, Jan. 10, 1953. A limited number of reprints are available on request.*

Company Reports

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

Iron and Steel

CRAIG BIT CO., North Bay, Ont., net profit for three months ended Sept. 30, 1957, was $30,346 compared with $130,324 in the previous 12 months.

Company has changed its fiscal year end to Sept. 30, says President J. A. Drain.

Net earnings after income tax for 12 months ended Sept. 30, 1957, were $129,983 compared with $93,702 for same period a year ago.

INCOME ACCOUNT

Period Ended:	3 Mos. Ended Sept. 30 1957	Year Ended June 30 1957
Net earnings†	$37,346	$241,324
Less: Inc. taxes	27,000	111,000
Net profit	30,346	130,324
Less: Divds.	11,600	43,500
Surplus for year	18,746	86,824
†After depr. & amort.	11,533	53,117
Earnings per Share and Dividend Record:		
Common (new)*	$0.13	$0.56
Paid	0.05	0.15
Common (old)		
Paid		0.075

*Two-for-one stock split, Oct., 1956.
†Represents three quarterly dividends.
‡Represents one quarterly div.

Shares o/s:		
Common, n.p.v.	232,000	232,000

CONDENSED BALANCE SHEET

As at:	Sept. 30 1957	June 30 1957
Cash	$24,400	$24,376
Accts. rec., less res.	218,462	219,289
Inventories	558,580	565,022
Total curr. assets	801,442	808,687
Prep. exp.‡	21,699	29,600
Fixed assets*	323,644	338,049
Other assets	12,212	13,150
Total assets	1,158,997	1,179,486
Accts., tax., etc., p.	218,772	258,007
Divds. payable	11,600	11,600
Total curr. liabs.	230,372	269,607
Capital stock	180,214	180,214
Earned surplus	748,411	729,665
*After depr. of	481,292	470,697
‡Included in curr. assets in co.'s report.		
Working capital	571,070	539,080

Entertainment

MARCUS LOEW'S THEATRES LTD., Toronto, net profit of $81,964 for year ended Aug. 28, 1957, was 22% lower than previous fiscal year's $105,007.

Annual meeting is Dec. 6.

INCOME ACCOUNT

Periods Ended:	Aug. 28 1957	Aug. 31 1956
Net earnings	$235,540	$282,544
Less: Depreciation	14,985	17,694
G'will, etc., w/o	41,000	41,000
Tax reserve	97,591	118,843
Net profit†	81,964	105,007
Less: Com divds.	37,500	37,500
Surplus for year	44,464	67,507

†Company's report shows net profit of $55,728 in 1957, including profit on disposal of fixed assets of $3,562 and taxes applicable to prior yrs. of $29,798.

Earnings per Share and Dividend Record:		
Common	$10.93	$14.00
Paid	4.00+1.00	4.00+1.00
Shares o/s:		
Common, $100 par	7,500	7,500

CONDENSED BALANCE SHEET

As at:	Aug. 28 1957	Aug. 31 1956
Cash	$148,877	$211,291
Accts. rec.	2,225	625
Dom. bds.	1,034,246	935,113
Total curr. assets	1,185,348	1,147,029
Misc. assets	18,215	18,239
Goodwill, etc.	217,000	258,000
Fixed assets*	915,407	930,392
Total assets	2,335,970	2,353,660
Total curr. liab.	71,589	107,567
Capital stock	750,000	750,000
Surplus	1,514,381	1,496,153
*After depr. of	1,307,649	1,315,792
Working capital	1,113,759	1,039,522

Public Utilities

SOUTHERN CANADA POWER CO., Montreal, consolidated net profit of $1,947,709 for year ended Sept. 30, 1957 was 4.2% higher than previous fiscal year's $1,869,506.

Company set new records in customers served, power sales and gross revenues, reports President J. A. Page.

Electricity revenue sales increased by 11.3%. Industrial sales increased 10.6%. Commercial sales rose by 11%, residential by 12.6% and farm by 11.7%. Average annual consumption per residential customer reached 3,665 kwh (a 425 kwh increase over previous year).

At year end company had 83,051 customers, an increase of 2,238.

Despite a 17.1% rise (to $1.9 million) in operating costs company managed to maintain rates established in 1947. It hopes to postpone an increase by greater sales and close control of expenses. Company purchased $3.1 million (up 19.1%) worth of power to serve demand which its own system could not meet.

For tax purposes an additional $517,000 depreciation was provided on which deferred tax payments amounted to $188,700. At year end deferred payments totaled $771,700.

Decline in bond prices during past two years has made it more economical for company to finance part of its construction program of $1.9 million by bank loans instead of selling holdings of short term government bonds.

Appliance sales rose 3.7% to a record $1.7 million.

Shawinigan Water & Power Co. now holds over 97% of the common stock of Southern Canada.

Annual meeting is Dec. 20.

CONS. INCOME ACCOUNT

Years Ended Sept. 30:	1957 $	1956 $
Gross revenue	11,201,320	10,045,964
Net earnings	4,805,384	4,543,181
Less: Depreciation	797,800	753,700
Bond interest	386,375	386,375
Inc. tax res.	1,973,500	1,533,600
Net profit	1,947,709	1,869,506
Less: Pref. divds.	496,223	496,223
Common divds.	1,000,000	900,000
Surplus for year	451,486	473,283

Note—The company is claiming, for tax purposes, additional depreciation of $517,000 in 1957, on which the deferred tax amounts to $188,700 ($217,400 in 1956).

Times Interest Charges Earned:		
Before deprec.	12.44	11.76
After deprec.	10.37	9.81
Earnings per Share and Dividend Record:		
Preferred†	$827.48	$26.37
Paid	6.00+41.00	6.00+41.00
Common‡	3.63	3.43
Paid	2.50	2.00+0.25

†Before (after) participation.
‡Maximum participation.

Shares o/s at Sept. 30:		
Preferred	70,889	70,889
Common	400,000	400,000

CONDENSED CONS. BALANCE SHEET

As at Sept. 30:	1957	1956
Cash, etc.	$61,120	$61,545
Accts., etc., rec.	1,894,698	1,750,242
Mkt. secs.§	2,029,464	2,189,538
Inventories	962,113	1,005,125
Total curr. assets	4,977,395	5,006,460
Misc. assets	†115,267	119,301
Inv. assoc. cos.	113,003	90,003
Mtges. rec.	148,409	242,051
Fixed assets	40,608,781	38,756,141
Total assets	45,962,855	44,293,956
Due bank	770,037	524,899
Accts. & tax. pay.	2,082,772	2,002,166
Other curr. liabs.	791,150	800,888
Total curr. liabs.	3,643,959	3,327,955
Def. income tax	771,700	563,000
Funded debt	11,100,000	11,100,000
Deprec. res.	11,429,138	10,806,604
Other reserves	838,567	736,192
Capital stock	15,089,900	15,089,900
Surplus	3,100,791	2,649,305
§Market value	2,245,075	2,419,763
Working capital	1,333,436	1,758,505

†Incl. in curr. assets in co.'s report.

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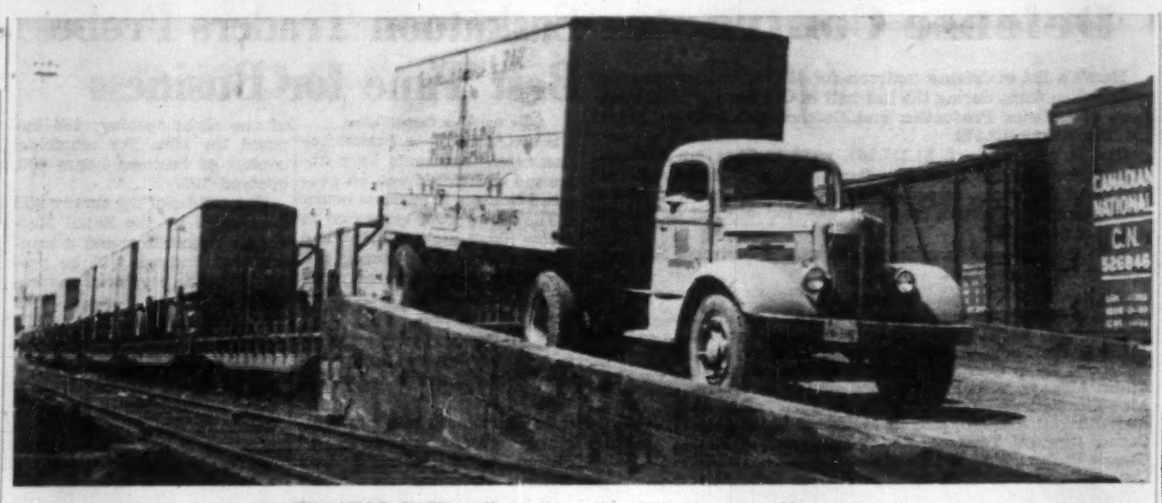


TRACTOR UNIT pulls trailer off a CNR flatcar in Montreal.

Piggyback Rail Trucking: Will It End Bitter Feud?

"This revolution in Canadian freight transport will quite probably extend to many parts of the country and to many independent truckers . . ."

By CLIVE BAXTER

MONTREAL (Staff)—Quietly and with no loud huzzahs, a revolution is taking place in Canadian freight transport.

Its name: Piggyback — the practice of carrying loaded highway trailers on railway flatcars.

Its probable meaning:

The end of the long-lasting feud between railways and truckers; quite probably too an extension of the piggyback principle from the Toronto-Montreal area to many parts of the country and many independent truckers.

The process combines the cheap long-distance hauling ability of the railroads with the flexibility and personal service of trucking.

This week in Montreal the Quebec Transport Board met to give the final stamp of approval to the nation's most significant piggyback scheme yet.

This involves rail carriage of private truckers' trailers between Montreal and Toronto. Previously, railroads had been carrying only their own trailers piggyback.

The principle of transferring complete trailers from road to rail for long hauls is not new.

It is **CNR's** claim that it dates back to 1890 when English squires transported their carriages and horses to Scotland on flatcars for the hunting season.

Started in U. S.

But piggyback in its true commercial sense started with a few tentative experiments in the U. S. during the 1920s.

Chicago, North Shore and Milwaukee mounted trailers on its flatcars in 1926. The postwar era has been the age of greatest growth, however.

Both **CPR** and CNR have made use of piggyback with their own road transport services.

But it was only two months ago that they started serving "for-hire" common carriers between Montreal and Toronto.

The move entailed a certain amount of pride-swallowing in both camps.

But there were some solid reasons for the marriage.

Basically they are:

• Railways will always be more economical over the long haul. Less wear and tear, fewer people involved. Weather and local terrain matter little. Local road weight restrictions, Sunday trucking law, bridge clearance problems can be forgotten.

• Trucks are more convenient. With door-to-door delivery they suit most customers best. Truck-rail-truck means too much loading and unloading with a risk of delays and damage to goods.

Because of inherent advantages both teams were nibbling at each other's business.

Trucks have been taking some hefty bites out of rail freight on some inter-city services. But to get the business the truckers had to trim profits to a paper-thin level.

Some sort of compromise was the answer. In piggyback it may have been found and customers should benefit from better service.

At present each railway is shipping between 30 and 40 trailers every night each way between Montreal and Toronto. That means over 120 trailers that until September were roaring down the highways each night.

Two-Centre Job

So far it's only a two-centre operation.

Many predict piggyback services for common carriers across the country within the next five to 10 years.

However railway men told **FP** that piggyback services could only be offered on certain routes where there was a very real demand, and freight services were running anyway. They felt the day was far off when piggyback would be offered anywhere that railways run.

There is talk of specially designed flatcars and trailers. At present the load rides on the trailers' wheels.

Future designs include skeleton trucks with a detachable container.

Two such containers could be loaded on one flatcar and reloaded onto fresh skeletons at journey's end.

Other designers are at work to simplify the loading and unloading of cars in freight yards.

Railways are hoping for a device on each flatcar that will swing the trailer into place. It would rule out the expensive and time-consuming ramps now used in the yards.

Don't look for immediate cuts in your freight rates. They are not planned.

Railways set the piggyback rate at a level where it almost exactly meets the truckers' rates over a given distance.

Any lower, railwaymen feel, would cut into normal rail freight. Any higher and the truckers would lose interest.

Truckers do save money on depreciation of equipment and weather delays, however.

Save Money

They also save money on wages.

And that could be the making of some trouble.

Long-distance, experienced truck drivers are the aristocrats of their calling. Their pay matches their position.

A fully trained driver hauling loads between Montreal and Toronto now draws about $550 a month.

If he is driving the New York City to Montreal or Toronto service he can expect $700 or more monthly.

The powerful International Brotherhood of Teamsters represents all organized highway drivers in Canada.

The union is conscious, both in the U. S. and Canada, that piggyback is bad news for its members.

"A driver put off highway work takes a cut in salary to around $360 a month," a Teamsters spokesman in Montreal told **FP**. "Some 300 have been laid off in Toronto and 40 in Montreal."

Does that mean trouble?

"No, we recognize it is progress," Teamsters reply. "It is no use fighting it."

The union hopes, rather, to check piggyback—establishing a ratio between road and rail that will keep a certain number of truckers in work.

(If it can't do that, then there could be labor difficulty.)

Union contracts with truckers in the Toronto-Montreal area come due for renegotiation next year — they are three-year agreements.

The word piggyback can be expected to appear frequently at that conference table.

This week's Quebec Transport Board meeting saw **Asbestos Transport Ltd., Direct Winters Transport Ltd., Husband Transport Ltd., Inter-City Truck Lines Ltd., Kingsway Transport Ltd., Overnite Express, Smith Transport** and **Reliable Transport** applying for permanent piggyback permits. They now have temporary permits.

Another firm — **Motorways Ltd.** — applied for a temporary license.

Feeling in transportation circles was that permission would be granted in all cases.

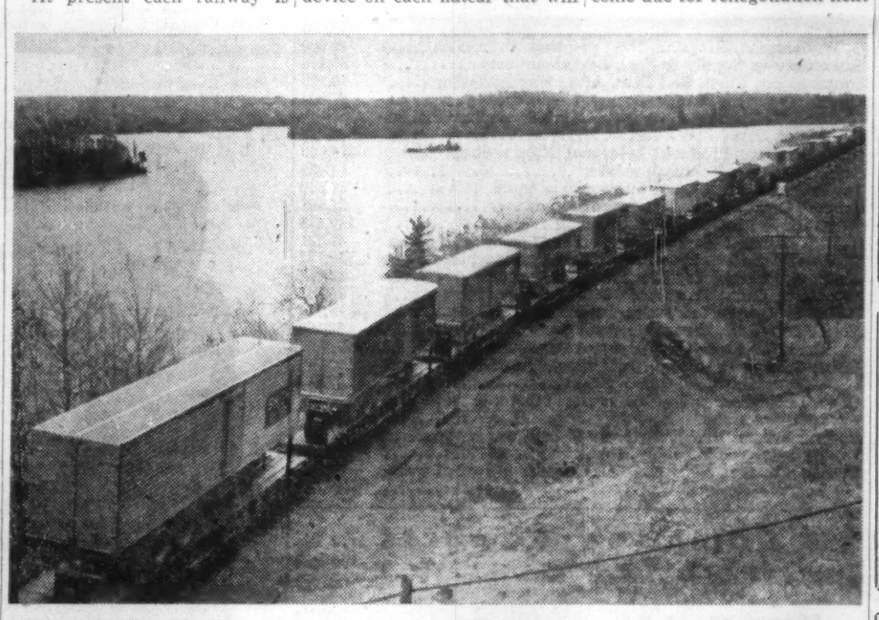
Piggyback will be a steady and planned expansion. No one group is anxious for a helter-skelter growth.

Next stage, one transportation expert told **FP**, could be international piggyback.

He envisages food being loaded in a refrigerated trailer in Canada, driven to the railway, carried on a flatcar to the docks, loaded in an unrefrigerated freighter, unloaded in Europe and carried by train and later truck to its destination.

At all stages the trailer's own refrigeration would protect the cargo.

At least one U. S. trucking firm — **U. S. TMT Co.** — already has a transAtlantic piggyback service—sometimes called fishyback.



TRANSPORT TRUCK trailers roll along the CPR line between Montreal and Toronto.

Nova Scotia Oil in 1962 Forecasts Top Geologist

From Our Own Correspondent

HALIFAX — Nova Scotia will come into its own in the oil business in about five years, a top geologist and research scientist has predicted here.

Prof. H. L. Cameron, Acadia University, based his prediction that "petroleum will be found here in about five years" on a narrowing down of exploration areas.

He said that one of the most promising areas was in Cumberland county.

Prof. Cameron said that he turned down attractive job offers in the west and that "I have staked my future on the fact that Nova Scotia is going to progress."

Prof. Cameron, a member of the Nova Scotia Research Foundation, was granted a year's leave of absence to act as consultant to private industry in the Canadian west. He returned to Nova Scotia two months ago.

He said that if he had had any doubts that oil would be found in Nova Scotia, those doubts were dispelled following his year in the west.

"I am convinced more than ever that we've got it here," he said.

"Land formations where oil was found in the west are similar to condit ns in several places in this province."

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GRAND UNION-CARROLL

Canadians will soon be able to purchase stock in **Grand Union-Carroll Ltd.**, Canadian subsidiary of **Grand Union Ltd.**, East Patterson, N.J., President Lansing P. Shield recently stated in Toronto. Earlier this year he indicated that up to 50% of the new common stock will be offered in Canada (**FP**, June 22 and Oct. 19). Grand Union-Carroll operates a group of supermarkets in Ontario.

SATURDAY HOLIDAY

From Our Own Correspondent

ST. JOHN'S — In a special referendum St. John's voted overwhelmingly in favor of Saturday as the weekly whole holiday. Provincial and federal civil servants have the Saturday holiday all year. Store workers get it in summer. But in winter stores remain open on Saturdays, close Mondays. The referendum is not binding on trade.

When you advertise in this Professional Directory . . .

. . . you reach an alert and influential audience of readers – leading investors and executives who depend on The Financial Post for authoritative facts and figures.

Defense Contracts

Here's a list of defense contracts for $10,000 or more awarded to Canadian firms during the last half of October by the Department of Defence Production and Defence Construction (1951) Ltd. It totals $6,238,572.

The largest contract, $1,227,969, went to **Canadian Arsenals,** Ottawa, for machine guns. **Canadian Marconi,** Montreal, received a contract for electronic equipment amounting to $1,100,919, and **Avro Aircraft,** Toronto, received one for aircraft armament valued at $656,598.

The list excludes amendments to earlier contracts and anything on the "secret" list.

Contractor	Commodity	Value
Ahearn & Soper, Ottawa;	electronic tubes	$40,360
Alpha Aracon Radio, Toronto;	electronic components	18,872
Alpha Aracon Radio, Toronto;	electronic tubes	14,009
Annapolis Valley Canners, Hansport, N.S.;	canned goods	14,100
Austin Airways, Toronto;	chartering aircraft	50,497
Auto-Lite Batteries, Toronto;	batteries	60,091
Avro Aircraft, Toronto;	aircraft armament equip.	656,598
Canada Catering, Toronto;	catering	85,735
Canada Packers, Montreal;	meat	16,312
Canada Packers, Toronto;	meat	24,540
Canada Wire & Cable, Ottawa;	electrical cable	49,777
Canadair Ltd., Montreal;	aircraft spares	25,988
Cdn. Applied Research, Toronto;	aircraft armament testing equip.	48,490
Cdn. Arsenals, Ottawa;	machine guns	1,227,969
Cdn. Bakeries, Victoria;	bread	12,013
Cdn. Converters, Montreal;	clothing	23,784
Cdn. Diaphlex, Toronto;	electrical equipment	11,233
C.G.E., Ottawa;	electrical equipment	10,458
C.G.E., Toronto;	electronic tubes	80,117
C.G.E., Toronto;	radar spares	36,995
Cdn. Marconi, Montreal;	electronic equipment	1,100,919
Cdn. Westinghouse, Granby, Que.;	lighting equipment	10,382
Cdn. Westinghouse, Hamilton;	electric dryers	12,670
Cdn. Westinghouse, Hamilton;	ammunition components	11,943
Cdn. Westinghouse, Ottawa;	electronic tubes	116,179
Cosa Corp. of Canada, Toronto;	milling machine	39,735
Cruickshank-Guild, Montreal;	canned goods	37,252
De Havilland Aircraft, Toronto;	aircraft spares	145,211
Dowty Equipment, Ajax, Ont.;	aircraft spares	42,143
Dunlop Canada, Toronto;	tires and tubes	34,323
Electric Storage Battery, Toronto;	batteries	86,093
B. Elliott (Canada), Port Hope, Ont.;	milling machines	33,609
Export Packers, Toronto;	dairy products	10,790
Farmers' Ltd., Halifax;	dairy products	30,646
Fleet Mfg., Fort Erie, Ont.;	radio telescope	37,000
Foulis Engineering Sales, Halifax;	bending machine	15,624
Foulis Engineering Sales, Halifax;	forging machine	40,150
Gas Accumulator, Toronto;	lighting spares	52,992
General Plastics, Toronto;	tableware	14,400
B. F. Goodrich Canada, Kitchener, Ont.;	tires and tubes	40,231
Goodyear Tire & Rubber, Toronto;	tires	23,873
Gould-National Batteries, Toronto;	batteries	87,724
Halifax Shipyards, Dartmouth, N.S.;	docking ship etc.	17,000
Hamtpon Mfg., Montreal;	clothing	14,935
Ideal Upholstering, Montreal;	furniture	11,727
Imperial Oil, Ottawa;	aviation gasoline	15,908
Instruments (1951), Ottawa;	photo. equipment	24,950
Int'l Harvester, Hamilton;	tractors	104,472
Irvin Air Chute, Fort Erie, Ont.;	parachute spares	11,623
J. Klassen, Ottawa,	conditioning equip.	22,190
Maple Leaf Dairy, Halifax;	dairy products	30,646
Melville Machinery, Montreal;	materials handling equip.	15,344
Merck & Co., Montreal;	medical supplies	12,720
Miller & Gabbe, Montreal;	clothing	109,807
Miller, Naismith Engineering Consultants, Toronto;	technical publication	31,546
Mine Safety Appliances, Toronto;	fire fighting equip.	24,890
Municipal Spraying & Contracting, Halifax;	grading and paving	10,000
Myer-Bald Ltd., Toronto;	flashlights	23,269
Orenda Engines, Toronto;	technical publications	99,000
Palm Dairies, Victoria;	dairy products	49,587
Plymouth Cordage, Toronto;	manila rope	43,797
H. K. Porter Co. (Canada), Guelph, Ont.;	electrical cable	43,239
Purdy Brothers, Halifax;	refitting ship	10,000
Rogers Majes, Electronics, Leaside, Ont.;	electronic tubes	35,250
Saint John Dry Dock, Saint John, N.B.;	ship repairs	40,000
G. W. Sampson, Kingston, N.S.;	painting	10,000
Saskatchewan Supply & Fuel, Saskatoon;	coal	38,260
Sorensen Bus Lines, Red Deer, Alta.;	transportation	10,928
Sperry Gyroscope, Montreal;	navig. equipment	24,865
Standard Telephones & Cables, Montreal;	communications system	49,390
Steel & Engine Products, Liverpool, N.S.;	refitting ship	230,000
Swift Canadian, Montreal;	meat	11,455
Tower Productions, Ottawa;	electronic equip.	39,330
Trimont Corp., Montreal;	wire rope	21,607
Weiss Glove Mfg., Montreal;	clothing	110,318
A. C. Wickman Ltd., Toronto;	electronic equip.	37,321
A. R. Williams Mach'y., Ottawa;	chucking machines	19,172
Wilson & Cousins, Toronto;	fire fighting equip.	12,616
Woodlawn Dairy, Dartmouth, N.S.,	dairy products	30,646
X-Ray & Radium Industries, Toronto;	medical equipment	15,714
York Farms Ltd., Toronto;	canned goods	18,106
Contracts awarded by Defence Construction (1951) Limited		
Brant Const'n, Brantford, Ont.;	repairs to floor of hangar —Mountain View, Ont.	32,777
G. W. Ledingham & Co., Vancouver;	repairs to water distribution system—Boundary Bay, B.C.	38,520
Rodnor Electric Inc., Shawinigan Falls, Que.;	replacement of underground cables—Nicolet, Que.	24,500
Tatham Co. Ltd., Belleville, Ont.;	repairs to roof of warehouses—Cobourg, Ont.	129,300

Company Reports

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

Merchandising

LEWIS BROS. LTD., Montreal, consolidated net profit of $260,962 for 1956 was 11% higher than 1955's $235,218.

Operations for year were satisfactory considering general increased cost of business in a very competitive market, says President D. H. Allan.

CONS. INCOME ACCOUNT

Years Ended Dec. 31:	1956	1955
Net earnings	$517,943	$465,826
Less: Depr.	38,027	39,358
Income Tax	218,954	191,250
Net profit	260,962	235,218
Less: Com. divds.	90,060	90,060
Surplus for year	170,902	145,158
Earnings per Share and Dividend Record:		
Com.: Earned	$1.74	$1.57
Paid	0.60	0.60
Shs. o/s at Dec. 31:		
Common, n.p.v.	150,100	150,100
CONDENSED CONS. BALANCE SHEET		
As at Dec. 31:	1956	1955
Cash	$42,528	$82,286
Accts. rec., less res.	1,439,301	1,362,048
Inventories	2,020,889	2,044,599
Total curr. assets	3,502,718	3,488,933
Prepaid exp.‡	14,620	12,123
Fixed assets*	822,147	823,641
Total assets	4,339,485	4,326,697
Due banks	335,000	280,000
Accts., tax. pay., etc.	986,996	1,139,891
Total curr. liab.	1,321,996	1,469,891
Funded debt	71,701	81,920
Capital stock	450,300	450,300
Earned surplus	2,495,488	2,324,586
*After depr. of	512,971	438,591
‡Included in curr. assets in co.'s report.		
Working capital	2,180,722	2,019,042

Textiles

WESLEY MASON MILLS LTD., Montreal, net loss of $3,457 for 1956 compared with net profit of $38,714 for 1955.

An amount of $82,869 representing "realized loss on winding up subsidiary companies and discontinuance of business acquired by them" is a non-recurring figure, says President A. W. Mason.

Company moved its head office from Montreal to Toronto and reduced number of directors from 14 to 11. Action is also being taken by company's solicitors to surrender the charters of **Louis Roessel & Co.**, and **Mason Spinning Ltd.**, which action will simplify company's corporate structure.

The remaining manufacturing operations are now consolidated in plant of **Herbert Hosiery Mills** division at Toronto and company feels that consolidation of production under one roof will permit maximum in operating economies. Company is however still forced to compete with merchandise imported from countries whose wage structures are much lower than in Canada.

CONSOLIDATED INCOME ACCOUNT

Years Ended Dec. 31:	1956	1955
Net oper. profit	$9,648	$927
Add: Prof bds. red.	.....	1,184
Less: Deprec.	†1,366	†1,932
Bd. disc. & exp.	.....	18,183
Bond & mtge. int.	11,739	18,281
Income taxes	.....	‡555
Net loss & deficit	3,457	38,714
†On automobiles. ‡Loss only.		
‡On prior years.		
Earnings per Share and Dividend Record:		
Preferred	d$0.51	d$5.69
Paid	nil	nil
Common	d0.82	d1.52
None paid.		
Note—Divd. arrears on preferred stk. amounted to $19.25 per sh. as at Dec. 31, 1956.		
Shares o/s at Dec. 31:		
Pref.	6,803	6,803
Common	50,000	50,000
CONDENSED CONS. BALANCE SHEET		
As at Dec. 31:	1956	1955
Cash	$919	$819
Accts. rec. less res.	18,637	24,780
C.s.v. life ins.	17,893	16,400
Inventories	168,836	174,491
Total curr. assets	206,085	216,490
Cash with trustee	955	13,203
Mtge. receivable	275,625	308,096
Prep. exps., etc.†	18,509	17,224
Invest. in subs. co.	46	.....
Fixed assets*	588,426	587,679
Total assets	1,089,646	1,142,692
Bank loan	316,385	316,657
Accts. tax., pay.	40,643	45,460
Total curr. liab.	357,028	362,117
Funded debt	255,500	300,000
Capital stock	730,300	730,300
Capital surplus	142,203	59,334
Deficit	395,385	309,059
*After depr. of	224,364	222,997
†Included in current assets in co.'s report.		
Working capital	‡150,943	‡145,627
‡Excess of curr. liabs. over curr. assets.		

FASTER TELEGRAPHS

New equipment being installed at Moncton, N.B., will considerably speed up telegraph services in Eastern Canada, **CNR** says. This "torn tape centre" will be the first to come into commercial operation. It will be followed by similar installations in Winnipeg and Vancouver.

Saskatoon Traders Probe Best Time for Business

From Our Own Correspondent

SASKATOON — Saskatchewan retail merchants have expressed differing views on proposed changes in business hours.

The views were expressed in a vote about night opening and Monday closing of stores, and whether the province or municipal councils should regulate hours of business.

The information was gathered in a survey by the Saskatchewan Retail Merchants Association.

In Saskatoon, retailers indicated strong opposition to changes in existing regulations. Against switching the weekly half holiday from Wednesday to Monday 90; in favor 49.

All day Monday closing was opposed by 94 merchants, while 60 favored no business on that day.

A proposal that stores remain open one night a week was voted against by 118 Saskatoon merchants; in favor 29.

Against giving the City Council power to govern store hours 107; in favor 41.

Regina was not included in the survey since a vote at civic election time this year favored all day closing on Monday and no night opening.

Prince Albert businessmen want all-day Monday closing. Most other cities in the province expressed views similar to those of Saskatoon retailers.

However, the picture was different in Saskatchewan's towns and villages. A total of 399 retailers in towns and villages vetoed a Monday half holiday; in favor 110.

On the question of all day Monday closing, 328 were in favor and 163 against.

In towns and villages 310 merchants cast ballots in favor of one night opening; 164 opposed the idea. For municipal control of business hours 430; opposed 163.

The results of the survey will be studied by the Retail Merchants Association and a summary of findings will be presented to the provincial government later.

LIPTON ADVERTISING

Thomas J. Lipton Ltd. are realigning their advertising assignments. **Young & Rubicam Ltd.** will handle salad dressings in addition to the soups. Lipton will reassign promotion of its tea formerly done by Young & Rubicam.

ANNOUNCEMENT

ARTHUR G. PINARD

Collyer Advertising Limited of Montreal and Toronto announces the election of Arthur G. Pinard of Westmount, Que., to its board of directors, and his appointment to its executive staff in the capacity of consultant.

Mr. Pinard, who recently retired as vice-president, president and director of a large group of companies, has had a comprehensive and successful career in all phases of modern management practice, including plant, production, warehousing, distribution and market development.

He has been widely recognized for his special interests and skills in the field of marketing, and for his executive connections and activities in industrial, commercial, educational and community affairs.

Among these he has perhaps been best known as president of the Association of Canadian Advertisers; president of the Advertising and Sales Club of Toronto; president of the Canadian Paint, Varnish & Lacquer Association; founder and president of the Toronto Better Business Bureau; vice-president of the National Sales Executive Association (U. S. and Canada); and Co-chairman of extension courses committees at both University of Toronto and McGill.

Mr. Pinard is a member of numerous social and private clubs in Ontario, Quebec and the United States.

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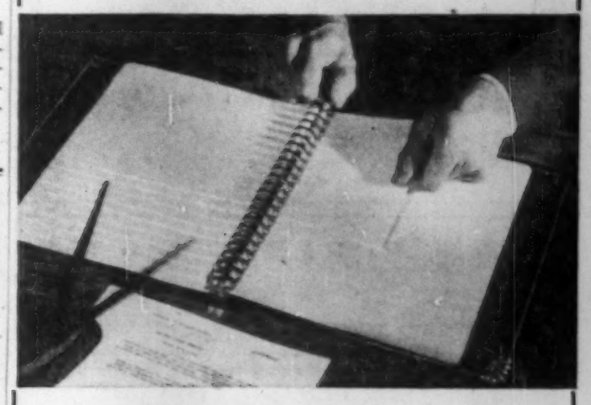

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Nfld. Cod Sold But Prices Low

From Our Own Correspondent

ST. JOHN'S — General Secretary Max Lane of the Newfoundland Federation of Fishermen says most of the dry and salted codfish caught this summer has been sold.

The fish met a ready market this season although the prices paid to Newfoundland fishermen this season were far below those of 1956.

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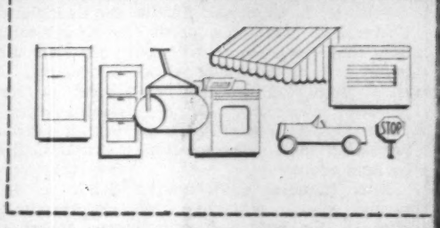

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Company Reports

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

Forest Products

BRITISH COLUMBIA FOREST PRODUCTS LTD., Vancouver, consolidated net profit of $1,076,024 for year ended Sept. 30, 1957, was 64% less than previous year's $2,981,638.

Decline in net profit was mainly caused by a slackening market for all wood products manufactured by company, together with higher premium on the Canadian dollar, say Chairman E. P. Taylor and President H. G. Munro. This resulted in considerably lower prices for lumber and plywood and a somewhat lower rate of production.

House building was lower than last year, and high ocean freight rates made it difficult to compete in overseas markets during first half of year.

In spite of this, shipments were maintained in close relationship to production and lumber inventories at end of fiscal year were no higher than previous year.

Net profit was also adversely affected by absorbing some preopening costs for the new pulp mill.

An increase in housebuilding in 1958 would help to bring supply and demand more closely together.

The new bleached kraft pulp mill at Crofton on Vancouver Island is nearing completion, and company hopes it will be in production by early part of 1958.

A province-wide strike of pulp and paper unions which started Nov. 14 could delay mill opening.

Inflation in labor and material costs, together with some additions and adjustments in design, will bring completed cost of mill above original estimate.

A substantial quantity of 1958 production from this mill has been contracted for, company says.

Company had spent $39,287,530 on the pulp mill to Sept. 30, 1957, and total cost is estimated at $46 million.

No depreciation on the mill has been charged against income in the financial statements.

Capital cost allowances of $3,837,748 will be claimed for tax purposes, resulting in a tax postponement in the 1957 year of $1,860,000.

On Jan. 31, 1957, a further $15 million 4½% sinking fund debentures, series A, maturing Jan. 15, 1981, were sold for cash. The company also issued an additional 678,000 common shares at $15 per share to **Scott Paper Co.** A further 219,000 shares will be issued to Scott at the same price by Dec. 24, 1957.

CONSOL. INCOME ACCOUNT

Years Ended Sept. 30:	1957	1956
Net earnings	$4,712,346	$8,422,707
Less: Depr.	1,220,735	1,478,320
Depletion	606,183	745,390
Funded debt int.	722,388	426,861
Income taxes	1943,000	2,790,000
Add: Prof. on sale of equip. & securities	59,984	9,442
Net profit	1,076,024	2,981,638
Less: Divds.	1,447,625	1,257,125
Surplus for year	*371,601	1,724,513

‡Net of $100,000 over provision re prior years.
*Deficit.

Times Bond Interest Earned:		
Before depr. & depl.	3.11	19.28
After depr. & depl.	2.13	14.19
Earnings per Share and Dividend Record:		
Common	$0.33	$1.17
Paid	0.50	0.50
Shares o/s at Sept. 30:		
Common, n.p.v.	3,223,750	2,545,750

CONDENSED CONS. BALANCE SHEET

As at Sept. 30:	1957	1956
Cash	$1,299,391	$4,728,943
Govt. secs.	2,947,770	5,462,115
Accts. rec.	2,558,935	2,120,370
Inventories	9,152,406	9,355,443
Total curr. assets	15,958,502	21,666,871
Prepaid expenses‡	516,681	258,078
Misc.	2,473,044	2,406,748
Timber dev.	1,277,099	1,186,725
Timber holdings	7,602,774	8,148,271
Bldgs. & equip.*	44,195,367	12,983,878
Total assets	72,017,467	46,650,571
Accts., tax., etc., pay.	5,084,969	6,039,405
Total curr. liabs.	5,084,969	6,039,405
Def. liability	2,355,695	532,762
Funded debt	25,000,000	10,000,000
Capital stock	23,617,500	13,447,500
Earned surplus	15,959,303	16,630,904
†Market value	3,000,000	5,459,803
*After depr. of	14,549,959	13,555,289

‡Included in curr. assets in co.'s report.
‡After res. for doubtful accts.

Working capital	10,873,533	15,627,466

BANK APPOINTMENTS

From Our Own Correspondent

ST. JOHN'S—Two new members have been appointed to the board of governors of the Newfoundland Savings Bank. They are: J. M. Devine, businessman of St. John's, and Harold R. Luscombe.

Record of Financing

Dominion Governments, Offerings of Corporation and Securities.

DOMINION

Government of Canada Treasury Bills — Due Feb 21, 1958, $125,000,000. Issued Nov. 21, 1957. Sold at $99.132 to yield 3.51%.

Canada Savings Bonds — 3¾% and 4¾% series 12 (up to Nov. 15), due Nov. 1, 1970, $941,000,000. Offered at $100.00 through dealers and banks.

Government of Canada Bonds — 3% bonds, due Oct. 1, 1959 and Dec. 15, 1960, $650,000,000. Offered through dealers and banks at $98.60 and $97.60.

PROVINCIAL

Village of Creston, B.C. (Guar. by Prov. of B. C.) — 4% debentures, due July 1, 1958-76, $63,000. Issued Nov. 20, 1957. Bought privately by Wood, Gundy & Co. Ltd.

MUNICIPAL

Town of Timmins, Ont. — 6¼% debentures, due Nov. 30, 1958-77, $180,000. Issued Nov. 11, 1957. Bought privately by Bankers Bonds Corpn. Ltd.

Town of Courville, Que. — 5½% debentures, due Dec. 1, 1958-77, $30,000. Issued Nov. 11, 1958. Sold at $97.02 to Grenier, Ruel & Cie, Clement, Guimont, Inc., La Corporation de Prets de Quebec, J. E. Laflamme, Ltee and Garneau, Boulanger, Ltee.

School Commission for Mun. of St. Elzear, Que. — 5% debentures, due Nov. 1, 1958-77, $100,000. Issued Nov. 11, 1957. Sold at $96.735 to Belanger, Inc.

Town of Iberville, Que. — 5% debentures, due Nov. 1, 1958-77, $122,000. Issued Nov. 12, 1957. Sold at $95.099 to L. G. Beaubien & Cie, Ltee.

Town of Ste. Agathe-des-Monts, Que. — 5% debentures, due Sept. 1, 1958-77, $55,000. Issued Nov. 12, 1957. Sold at $96.72 to Desjardins, Couture, Inc.

Parish of Ste. Rose-du-Degele, Que. — 5½% debentures, due Oct. 1, 1958-67, $255,000. Issued Nov. 13, 1957. Sold at $92.07 to La Corporation de Prets de Quebec, J. E. Laflamme, Ltee and Grenier, Ruel & Cie, Inc.

City of Braniford, Ont. — 5½% debentures, due Dec. 1, 1958-77, $407,000. Issued Nov. 18, 1957. Sold at $101.63 to Harrison & Co. Ltd.

School Commission for Mun. of Cote St. Antoine, Que. — 5% debentures, due Nov. 1, 1958-72, $120,000. Issued Nov. 18, 1957. Sold at $98.187 to Belanger, Inc.

City of Joliette, P.Q. — 5% debentures, due Nov. 1, 1958-72, $165,000. Issued Nov. 18, 1957. Sold at $98.279 to Belanger, Inc.

Parish of St. Francois-de-Sales, Que. — 5% debentures, due Dec. 1, 1958-72, $300,000. Issued Nov. 18, 1957. Sold at $94.10 to Banque Canadienne Nationale, Credit Quebec, Inc., Gaston Laurent, Inc. and Belanger, Inc.

School Commission for Mun. of Ste. Therese-de-l'Enfant-Jesus, Que. — 5% debentures, due Nov. 1, 1958-77, $163,000. Issued Nov. 18, 1957. Sold at $98.60 to L. G. Beaubien & Cie, Ltee.

Town of Baie d'Urfee, Que. — 4½% and 5% debentures, due Sept. 1, 1958-68-77, $432,000. Issued Nov. 19, 1957. Sold at $94.865 to Nesbitt, Thomson & Co. Ltd., Belanger, Inc., Credit-Quebec, Inc. and Banque Canadienne Nationale.

Village of Bois-des-Filion, Que. — 5% debentures, due Dec. 1, 1958-87, $23,000. Issued Nov. 19, 1957. Sold at $94.95 to Desjardins, Coulure Inc.

Protestant School Commission for Mun. of Town of Ste. Rose, Que. — 5½% debentures, due Nov. 1, 1958-72, $136,000. Issued Nov. 19, 1957. Sold at $98.17 to Rene-T. Leclerc Inc.

Town of Uxbridge, Ont. — 5¼% debentures, due Dec. 1, 1958-77, $40,000. Issued Nov. 19, 1957. Sold at $100.15 to J. L. Graham & Co. Ltd.

School Commission for Mun. of Cap-Rouge, Que. — 5% and 5½% debentures, due Nov. 1, 1958-60-77, $156,000. Issued Nov. 20, 1957. Sold at $98.28 to Clement, Guimont, Inc.

Mun. School District of East Kildonan No. 14, Man. — 5¼% debentures, due Dec. 1, 1958-77, $390,000. Issued Nov. 20, 1957. Sold at $100.512 to Gairdner & Co. Ltd.

Town of Dartmouth, N.S. — 5¼% 1-20 year debentures, $500,000. Issued Nov. 26, 1957. Sold at $100.477 to Wood, Gundy & Co. Ltd., Eastern Securities Co. Ltd. and Canadian Bank of Commerce.

Mun. of St. James School District No. 7, Man. — 5¼% debentures, due Dec. 1, 1958-77, $840,000. Issued Nov. 12, 1957. Sold at $100.412 to Gairdner & Co. Ltd.

City of Nelson, B.C. — 6% debentures, due Nov. 15, 1958-77, $170,000. Issued Nov. 19, 1957. Sold privately to A. E. Ames & Co. Ltd. and Canadian Bank of Commerce.

CORPORATE

Brewers' Warehousing Realty Ltd. — 6¼% first mortgage sinking fund bonds, series "D," due Jan. 2, 1978, $2,400,000. Issued Oct. 30, 1957. Bought privately by McLeod, Young, Weir & Co. Ltd.

Dupuis Freres Ltee. — 6½% sinking fund debentures, series "B," due Nov. 15, 1969, $1,500,000. Issued Nov. 20, 1957. Offered at $100.00 by a syndicate of dealers headed by Credit Interprovincial Ltee.

Steinberg's Properties Ltd. — 6% first mortgage sinking fund bonds, series "C," due Dec. 2, 1982, $3,500,000. Issued Nov. 20, 1957. Offered at $97.48 by Dominion Securities Corpn. Ltd., H. C. Flood & Co. Ltd., Nesbitt, Thomson & Co. Ltd. and Cochran, Murray & Co. Ltd.

Canadian Utilities, Ltd. — 5¼% convertible debentures, to mature Dec. 1, 1977, $6,000,000. Dated Dec. 1, 1957. Offered at $999.50 and accrued interest to yield 5.79%. Wood, Gundy & Co. Ltd., Nesbitt, Thomson and Co., Ltd., A. E. Ames & Co. Ltd., Dominion Securities Corpn. Ltd., W. C. Pitfield & Co., Ltd., James Richardson & Sons, McLeod, Young, Weir & Co. Ltd., Greenshields & Co. Inc., Midland Securities Corpn. Ltd., Osler, Hammond & Nanton Ltd., Ross, Knowles & Co. Ltd., Tanner Bros. Ltd., Carlile & McCarthy Ltd. and Houston, Willoughby & Co. Ltd.

Glass

DOMINION GLASS CO., Montreal, consolidated net profit of $2,956,209 for year ended Sept. 30, 1957, was 2.1% higher than previous fiscal year's $2,894,354.

Sales were a record, say Chairman L. J. Belnap and President T. W. Bassett. Company was able to keep costs to a minimum in spite of rising material prices and labor costs by using its extended plant facilities.

Sales were increased without increasing inventories.

An amount of $1,601,809 was spent on modernization and expansion program. This included completion of warehouses at Point St. Charles plant, Montreal, and at Toronto west, as well as acquisition of additional properties adjacent to those already owned in Toronto, Hamilton, and Wallaceburg. Further substantial capital expenditures will be made, company says.

Annual meeting is Dec. 19.

CONS. INCOME ACCOUNT

Years Ended Sept. 30:	1957	1956
Total net income	$6,666,633	$6,757,268
Less: Deprec.	1,135,424	1,077,914
Taxes	2,577,000	2,785,000
Net profit	2,956,209	2,894,354
Less: Pref. divds.	182,000	182,000
Common divds.	1,105,000	850,000
Surplus for year	1,669,209	1,862,354
Earnings per Share and Dividend Record:		
Preferred	$11.37	$11.13
Paid	0.70	0.70
Common	6.53	6.38
Paid: Reg.	2.00	1.40
Extra	0.60	0.60
Shares o/s at Sept. 30:		
7% Cum. pref.	260,000	260,000
Common, n.p.v.	425,000	425,000

CONDENSED BALANCE SHEET

As at Sept. 30:	1957	1956
Cash	$873,934	$488,425
Govt. bonds*	6,550,585	6,329,461
Accts. rec. less res.	4,518,032	4,343,271
Inventories	6,295,475	6,340,529
Total curr. assets	18,238,026	17,501,686
Misc. assets	347,510	329,001
Fixed assets†	8,532,063	8,857,560
Patents, etc.	2,200,920	2,200,920
Total assets	27,818,519	26,389,147
Accts. & tax. pay.	2,677,989	3,094,355
Other curr. liab.	2,391,716	2,415,187
Total curr. liab.	5,069,705	5,509,542
Other reserves	850,000	850,000
Capital stock	6,850,000	6,850,000
Surplus	14,848,814	13,179,605
*Market value	6,617,150	6,336,410
†After depr. of	12,064,725	10,937,438
Working capital	13,168,321	11,992,144

Unlisted Mines, Oils

(By Brokers Dealers Assoc. of Ont.)

Approximate quotations, 3.30 p.m., Dec. 2, subject to confirmation and change. An asterisk (*) indicates an increase in price, a dagger (†) a decrease in price.

	Bid	Ask
Abbican	*8	10
Abeta	6½	8
Advance	6	7
Alexander	3	4
Ama Kir	2	3
Anabar	1	3
Anamaq	1½	2½
Anuwon	4	6
Arctic	2	3
A Chib	5	10
Bagima	10	13
Braimine	6	9
Beacon	4	7
Belfast	2½	4
B Jck P	2	5
B Grass	2	3
B McDad	5	7
Braceq	5	7
Barima	10	12
Bright	¼	1½
Bruce P	8	12
Brunette	2½	4
Camlaren	3	5
Camp 1	5	7
Camray	2	3
Can Rad	8	10
C All M	2	4
Cn Man	6	8
Cnt Hill	*10	12
Caral	—	30
Cheliew	3	5
Clinger	3	4
Clix	4	6
Columbr	1½	2½
Columbin	1	2
Cmstock	4	6
Con Co	13	15
Conecho	4	6
C Harper	4½	6
Crack S	4	6
C Vauze	†9	12
Cordell	4	7
Crabbe	7	9
Croydon	2	5
Derlac	2	4
Desmont	¼	1
Despina	*2½	5
Destrad	1	2
Dom Ex	5	7
Dunvegn	3	4
Durham	2½	3½
East Lun	1	3
Echo Ind	1	3
E Bon	2	4
Farcroft	3	5
Flicka	2	4
Forty Fr	20	35
G Chib	—	20
Gan Cop	5	6
Gateway	*3	6
Glenbck	3½	5
Glencona	2	3
Glen Ec	†6	8
G Harker	6	8
Gord Lab	1½	2½
Gldman	2	4
Gov Gold	3½	4½
Grd Chb	40	50
Hedwtr	—	30
H G Yng	15	17
Hornfalt	6	8
Hot Min	3	5
Hubt L	9	11
Hudn U	25	30
Hucamp	5	7
Independ	5	6
Jamaica	5½	7
Jean Lk	10	13
Jerome	3	5
Kamlac	5	7
K B Mng	4½	5½
Kenda P	1	2½
Kenog	4	6
Laronge	3	5
Lrndona	4	5
Laroma	4	6
Larum	4	6
L Expan	3	5
Lake R	10	13
Lwr Can	1½	3
Lun Ec	20	23
Lynwth	5	8
Magoma	3	5
Main O	10	12
Manecho	3	5
Maj R L	4½	6
Mar Bd	9	11
Mat Can	5½	7
Maree	1½	3
Mate Yel	5	7
McCuaig	1	3
McFinly	6	8
Miles R L	1½	3
Millkirk	5	8
Mindust	75	100
Mirado	8	9
Mt Keno	1½	2½
Montco	3	5
Murk F	10	20
Murmac	2	3
Mury M	21	23
Nat New	*6	8
Nasco	2	4
Nw Met	6	8
Nw Aug	*5	6
N Iusco	†4	6
N Redwd	3	5
New Wal	1½	2½
Nickel O	2	3
Nickel L	3	5
Nicoba	†3	5
Nipiron	12	14
Norcourt	2	4
Norbeau	55	65
Norford	1	3
Normar	1	3
Ocean	140	150
Oklend	5	7
O'Rare M	6	8
Orofina	5	7
Ortona	2	4
Pacemkr	2½	3½
Pascalis	9	11
Pax nw	20	30
Payne	1	3
Peach	†900	1100
Pelangio	1	3
Pickering	4	5
Picton	3	4
Pine P	575	625
Pitchvein	3½	5
Plum N	35	50
Quejo	3	5
Quest	1	3
Ragian	†57	61
Rand M	3	4
Red Brk	4	6
Redcon	3	5
Redruth	1	3
Rhyolite	1	2
Richgrup	3½	5
Rio Ti	210	230
Romar	10	15
Rugged	1	2
Russet	3	5
Salmita	3½	5
Sheldon	8	10
Sladen Q	50	100
St Mary	16	20
Slate Hy	1	3
Snow L	3	5
Starlight	3	4
Sn Bear	1½	2½
Surpass	41	44
Th'crest	*10	13
Tower	3	5
Tresdor	11	13
U Ridge	4	8
Ungay C	3	5
Viking	6	10
Wadge	3	5½
Wesley	4½	5½
Westall	4	6
West R L	1½	3
W Wasa	2	4
Y David	12	14
OILS		
B C Oil	200	250
C Delhi	†625	650
C Sup	†2050	2150
Harvest	†16	20
Long Pt	†20	25
N Randt	2	4
O Smoky	2	3
Paige Pt	6	9
Sbmrin	40	45

Foreign Exchange Rates

Noon Value in Canada
Week Ended Nov 29, 1957

	U.S.$	U.K.
Mon.	96 9/32	2.70 7/32
Tues.	96 14/32	2.70 24/32
Wed.	96 23/32	2.71 16/32
Thurs.	96 24/32	2.71 16/32
Fri.	96 26/32	2.71 19/32
Average	96 96/160	2.71 18/160

U. S. rate reported by Bank of Canada.

U. K. bid rate reported by Toronto-Dominion Bank.

ANNOUNCEMENT

OLDFIELD, KIRBY & GARDNER, LIMITED

MR. W. A. SMITH, C.A.

Mr. R. A. Copland, President, Oldfield, Kirby & Gardner, Limited, announces that Mr. W. A. Smith, C.A., has been elected a Director and appointed Secretary-Treasurer of the Company.

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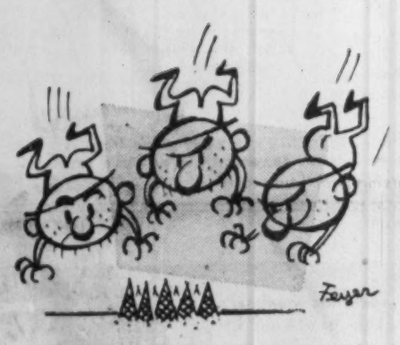

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*†Effective December 14th. Also on this date TCA's Family Fares apply, for the first time, on Toronto-Tampa service from 12.01 p.m. Monday to 12.01 p.m. Thursday. Father pays regular one way First Class fare, other members, including children up to 21 fly at half fare.

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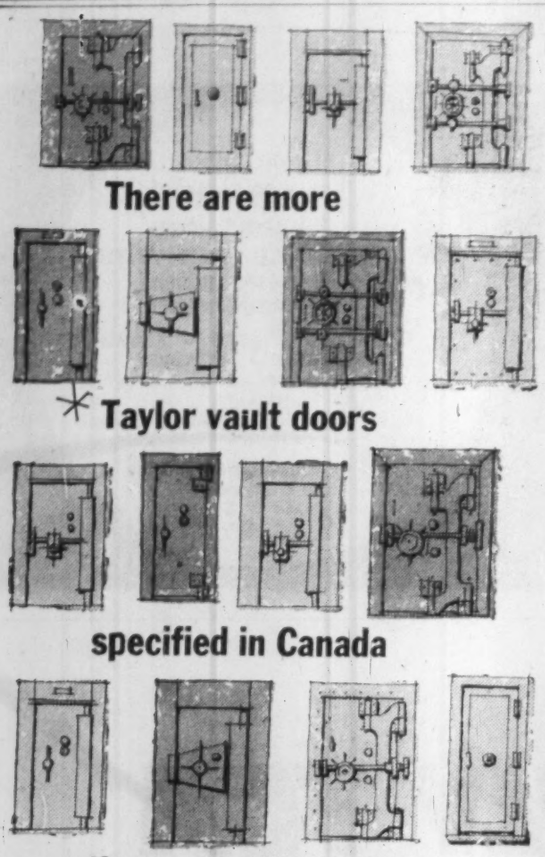

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Significant Investors' Index Numbers

No. of Securities	Mach. and equip 10	Pulp and paper 9	Milling 3	Oils 5	Textiles and clothing 8	Food and allied prod. 14	Beverages 10	Bldg mater 15	Power and traction 8	Banks 7	Total utilities 13	Total co's 95
*1935 to date:												
High	347.5	1233.1	252.0	285.5	419.5	211.0	650.0	630.0	267.1	304.7	219.8	297.8
Low	69.7	51.6	61.2	72.4	78.4	78.5	79.3	66.7	60.2	60.0	62.5	61.1
1957 Monthly Figures:												
Jan	763.6	1005.3	147.8	231.6	163.7	181.2	506.4	463.2	227.9	289.9	207.5	273.7
Feb	756.6	948.4	141.4	244.8	154.7	181.4	488.8	433.4	228.9	271.3	203.6	263.2
Mar	730.4	956.4	134.8	245.7	153.5	182.0	483.9	438.0	230.0	266.2	209.2	267.5
Apr	825.6	997.0	138.2	262.9	153.4	187.6	490.9	453.5	243.6	277.5	212.5	278.8
May	868.0	996.4	155.0	278.8	157.2	204.7	516.0	470.9	251.9	279.0	216.1	287.6
June	882.7	998.9	141.9	275.8	161.8	208.2	514.6	482.4	264.8	281.8	216.8	286.9
July	932.9	991.9	137.5	274.2	162.5	204.5	506.2	483.4	262.0	277.8	213.8	284.7
Aug	893.9	915.9	133.8	245.9	160.3	195.8	485.9	458.3	237.8	260.2	200.6	259.0
Sept	728.5	861.3	126.4	225.5	155.1	189.6	466.9	424.0	219.4	252.2	191.2	242.2
1957 Weekly Figures:												
Oct. 3	690.9	851.9	121.1	214.4	149.9	189.5	468.4	415.1	209.0	245.4	185.6	234.8
Oct. 10	649.1	828.0	117.4	195.1	147.4	184.8	467.3	398.1	200.1	240.7	179.4	222.3
Oct. 17	624.4	796.5	117.4	183.2	143.4	179.8	449.7	364.1	185.7	222.3	170.0	210.1
Oct. 24	621.1	793.4	116.0	190.8	145.5	182.4	453.9	369.0	188.2	232.2	173.0	213.7
Oct. 31	617.8	797.2	120.9	194.8	142.6	182.8	459.4	373.9	197.3	234.0	173.5	217.2
Nov. 7	620.2	792.6	122.2	194.2	144.2	182.8	466.6	379.4	202.2	235.1	176.7	219.2
Nov. 14	565.3	764.9	123.0	186.9	140.9	183.4	458.7	369.6	198.1	235.8	174.1	211.6
Nov. 21	602.9	794.3	122.5	193.8	143.4	192.1	481.9	378.3	201.4	248.1	176.9	219.0
Nov. 28	611.7	818.1	121.7	207.5	147.7	195.8	492.9	383.2	203.5	243.0	177.1	224.7

*High and low for year from 1935 to date inclusive are based on weekly figures used by the Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus	20 Golds	13 B.M.	15 W.O.
Dec. 2	410.63	70.67	182.52	135.37
Nov. 29	411.32	70.12	184.30	137.06
Nov. 28	409.90	70.90	184.16	139.31
Nov. 27	406.10	69.40	182.24	133.94
Nov. 26	402.44	69.17	181.48	129.87
Month Ago	400.58	70.22	182.70	131.91
Year Ago	449.08	73.37	218.93	149.33
1957 High	490.42	83.72	232.21	193.96
1957 Low	386.06	63.57	144.21	122.73

Montreal Stock Exchange Index

	10 Util	20 Indus	30 Com	10 Pprs	15 Golds
Dec. 2	134.8	234.2	201.1	1101.42	67.56
Nov. 29	134.8	236.2	202.4	1098.66	66.50
Nov. 28	134.5	235.7	202.0	1076.26	66.36
Nov. 27	132.8	233.0	200.9	1049.07	64.67
Nov. 26	133.6	233.6	199.9	1035.61	64.85
Mon. Ago	130.6	226.4	193.4	1000.25	64.79
Year Ago	133.0	282.3	232.6	1344.26	72.46
1957 High	155.4	306.0	248.4	1433.36	91.06
1957 Low	124.2	220.0	188.0	947.66	60.86

Dow-Jones Closing Stock Averages

	30 Indus	20 Rails	15 Util	65 Stocks
Dec. 2	446.91	102.23	67.46	149.02
Nov. 29	449.87	103.97	67.73	150.23
Nov. 28	...	...	...	...
Nov. 27	446.03	103.01	67.56	149.10
Nov. 26	435.34	99.93	66.69	145.67

	30 Indus	20 Rails	15 Util	65 Stocks
Month Ago	434.04	107.34	64.94	146.69
Year Ago	480.61	153.67	67.17	169.70
1957 High	520.77	157.67	74.61	179.87
1957 Low	419.79	98.77	62.20	142.49

Volume of Stock Sales

	Montreal	Toronto	Calgary	Vancouver	New York
Dec. 2	284,000	1,639,000	82,545	127,032	3,070,000
Nov. 29	382,000	2,033,000	49,429	143,345	3,530,000
Nov. 28	232,500	1,117,000	44,382	82,295	Holiday
Nov. 27	288,500	1,739,000	39,533	99,502	4,240,000
Nov. 26	373,300	2,116,000	48,428	61,054	4,350,000

Advances and Declines

Week Ended	Ups	Downs	No Change	Ups	Downs	No Change
Oct. 25	224	415	158	111	159	109
Nov. 1	324	281	135	150	97	99
Nov. 8	342	263	165	142	103	111
Nov. 15	256	332	161	87	140	118
Nov. 22	328	328	156	110	128	112
Nov. 29	320	301	167	121	111	111

Investment Trusts

	Divd. pd. cents	Bid	Ask
All-Can. Com. Fd.	12.20(23.62)	3.36	6.07
All-Can. Div. Fd.	16+2(21)	4.69	5.32
Can. Invest. Fund	27(38)	7.97	8.74
Canafund	55+12[5]	30.60	32.12
Champion Mut. Fund	20(14.5)	4.63	5.08
C'wealth Inter	25(31)	6.50	7.20
Corporate Inv.	26.5(30)	7.57	8.23
Diversified Inc. Shs.	12.2(12)	3.10	3.40
Dom. Equity I.	18+12(33+15)	12.40	12.68
Grouped Inc. (n.)	19.75(22.14)[1]	3.25	3.55
Growth Mines		3.66	3.84
Growth Oil & Gas		7.32	7.68
Investor's Mut.	32(31)	9.21	9.96
Leverage Fund	22(22)	4.40	4.84
Mut. Acc. F.	11.96(24.91)	5.95	6.50
Mutual Income	19.39(26.3)	4.46	4.87
Regent Fund Ltd.		4.61	5.07
Resources of Canada		6.08	...
Sav. & Inv. Mutual	8	4.71	5.15
Sup'vised Amer.	8(17)	5.74	5.80
Sup'vised Executive	(1955)	31.07	...
Sup'vised Executive	(1956)	25.70	...
Sup'vised Executive	(1957)	4.39	4.64
Sup'vised Gr'th Fund	(3e	1.58	1.60
Sup'vised Inc. Fund	10(19)	3.57	3.61
Timed Invest.	11(21)	14.75	*4.78
Trans-Can. A	115.6(102.6)	23.90	...
Do. B	33.8(108.6)	24.40	...
Do. C	22.8(21.2)	4.90	5.30

†Less or (*) plus stock exchange commission
•Paid or payable in 1957 total paid in 1956 in parentheses
•Plus stock divd.
†Of which 12.14 pd. in form of tax-free stk. divd. redeemed for cash immediately

Unlisted Mines, Oils

(Compiled from Quotations by G. E. Leslie & Co., Montreal)
Dec. 2, 1957.

Stock	Bid	Off.	Stock	Bid	Off.
Americ	3	5	Martin B	7	10
Absam	...	5	Miller Cop	6	8
Arnora	2	4	Natl Mal	5	8
Aconic	55	65	Nipiron	12	15
Do 1st c	35	40	Norbeau	55	65
Assoc Dev	6	9	North Ex	28	30
Atlas Chib	7	10	Oklend	5	8
Amer Ch	30	35	Ont Nickel new	10	13
Bald Min	11	13	Pascalis	9	12
Baraca	...	30	Provincial	3	...
Beimont	5	10	Que Cob	1.50	1.75
Bros'n Ch	...	25	Quedon	...	15
Big Nell	15	20	Quejo	4	6
Cdn Javin	161	162	Rand Mal	2	4
Cen Mng	1.25	2.00	St Jude	...	25
Clinger	3	5	Roberval	60	70
Dadson	10	15	Scott Chib	4	6
Elwood M	53	60	Selby Mng	...	15
Flicka	2	4	St Roberts	42	47
Garland	...	15	Starlight	3	5
Glencona	1½	2½	Tamara	60	65
Hastings	28	34	Tarpoint	2	4
Independ't	5	8	Wesley	5	8
Inter Asb	5	8	Wedro L	...	50
Kenmac	3	6	Wm Leys	6	15
Lun-Echo	20	25	Wonder M	27	30
Lyndvue	...	34	Young D	13	16
Main Oka	11	14			

Municipal Bonds

Dec. 3, 1957.

Calgary	3½	'68	82½	84½	5.30
Edmonton	3½	'69	82	84	5.30
Halifax	3½	'68	86	88	5.25
Hamilton	3	'67	83½	85½	4.90
Montreal	3	'70	79	82	4.90
Moose Jaw	3½	'68	93½	94½	5.40
Ottawa	3½	'68	86½	88½	4.75
Regina	3	'64	84½	86½	5.30
Saint John	3½	'65	85¼	88¼	5.40
Toronto	3	'68	83¼	85¼	4.75
Vancouver	3½	'69	85¼	87¼	5.25
Victoria	3½	'68	85½	87½	5.25
Windsor	2¾	'75	68½	70¼	5.35
Windsor	3½	'73	76¾	78¾	5.35
Windsor	2½	'75	65¼	67¼	5.35
Winnipeg	3	'69	81	83	4.80

ANNOUNCEMENT

CGE APPOINTMENT

I. A. MAYSON, B.A.Sc., P.Eng.

whose appointment as Manager—Marketing of the Electronic Equipment and Tube Department has been announced by R. M. Robinson, Vice-President and General Manager of the Department for Canadian General Electric Company Limited. Mr. Mayson, who was formerly Manager—Market Research and Product Planning, will continue to serve the Department at Royce Works in Toronto, his native city.

LET THE CANADIAN PACIFIC DEPARTMENT OF INDUSTRIAL DEVELOPMENT GIVE YOU A CLEAR PICTURE OF CANADA

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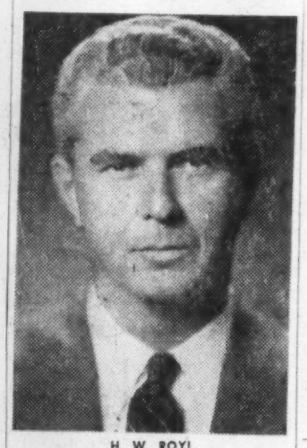
DEPARTMENT OF INDUSTRIAL DEVELOPMENT
Vancouver Calgary Winnipeg Montreal Toronto London, Eng.

ANNOUNCEMENT

APPOINTED GENERAL SALES MANAGER



H. W. ROYL

The appointment of Mr. H. W. Royl as General Sales Manager of Canadian Curtiss-Wright Ltd., the new Company formed by the merger of the former Curtiss-Wright of Canada Ltd., and Isotope Products Ltd., has been announced by Mr. E. A. Carter, Vice-President and General Manager.

This merger represents an extension of Curtiss-Wright's diversification program which has been underway for the past five years, and which has seen an outstanding growth in the Company's sales and profits.

Mr. Royl was previously Sales Manager of Curtiss-Wright of Canada Ltd., joining the Company in March, 1956.

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)
Dec. 3, 1957.

%	Due	Bid	Asked
Govt. of Can Bonds:			
3	Jan. 1959	98½	99¼
3	June 1960	97½	98¼
3	Feb. 1962	96½	96½
3	Oct. 1963	95	95½
3	Sept. 1966	94	94½
3	Perpetual	83½	85
2½	June 1968	91½	92½
3¼	Jan. 1975/78	97½	98¼
3¼	June 1974/76	92½	93¼
Cdn. Nat Railways:			
3	Jan. 1959	98½	99¼
2¾	Jan. 1967	91	92½
3	Jan. 1966	93½	94½
2¾	Sept. 1969	90½	92
Grand Trunk Pacific Rlwy.:			
3	Jan. 1962	•96½	97
4	Jan. 1962	•98½	100
Int. Bank of Reconstruct. & Development			
3¼	Apr. 1965	89	91
3¼	June 1969	88	91
C'wealth of Australia:			
4	Nov. 1970	90	92

•Payable Can., N.Y. or £

%	Due	Bid	Asked
Prov. Govt. Bonds			
Alberta:			
2¾	Mar. 1970	♦89	92
British Columbia:			
4½	Jan. 1969	♦98	100
3	Dec. 1960	94¾	95¼
3	June 1964	90	92
5	Sept. 1959	♦99¾	100¾
B. C. Power Comm.:			
3	Oct. 1967	86½	88½
Manitoba:			
4	Dec. 1957	♦99½	100
5	Dec. 1959	•99¾	100¾
5½	July 1958	100	100½
3	Oct. 1965	89	91
Nova Scotia:			
4½	Nov. 1960	♦97½	99½
5	Mar. 1960	♦99	101
3½	June 1963/65	90	92
3	June 1956/58	99	100
2½	June 1965/68	84	86
New Brunswick:			
4½	Apr. 1961	♦97½	99½
2½	June 1966	86	88
3½	Sept. 1963	90	92
5	Mar. 1970/75	100	101½

♦Payable Can. or N.Y. †Callable on or after Sept. 15, 1966.

%	Due	Bid	Asked
Ontario:			
2½	Nov. 1965/69	85½	87½
4	June 1962	•97	99
4½	Jan. 1962	♦98½	100½
2½	July 1967/76	81½	84½
3	Nov. 1963/65	90½	92
5	May 1959	•100	101
4	June 1969/72	94	96
Ont. Hydro Comm.:			
2½	Oct. 1965/68	85½	87½
3	Dec. 1963/65	90	91½
3	Nov. 1967/69	86½	88½
3½	May 1974/79	87	89
5	Apr. 1974/77	101	104
Prince Edward Island:			
3	Oct. 1965	86½	88½
Quebec:			
4½	Aug. 1958	99½	100
4½	Jan. 1963	99½	100½
3	Sept. 1962/64	91½	93
Quebec Hydro Commission:			
3	Feb. 1969/73	83	85
3	Dec. 1958/60	95	96½
3½	May 1971/74	85	87
4½	Oct. 1973/76	96	98
Saskatchewan:			
5	Aug. 1958	99½	100½
4½	Mar. 1960	♦99	100½
3	Mar. 1963	91	92½
3½	Nov. 1960/62	93	95
3½	Oct. 1962/65	92½	94½
5	Dec. 1959	♦98½	100½
Newfoundland:			
4½	July 1964	96	98

Unlisted Stocks

(Compiled by Intercity Securities Corporation Limited, Toronto)

	Bid	Asked
Alta. Gas Trunk Line cl. A	12.50	13.50
Algom C. & H.B. Rly. com.	20.00	22.00
Do. pfd	1.00	...
Allens Toronto Units	43.00	...
Anglo Can. Telephone A	25.00	27.00
Bowes Ltd. 4½% pfd	63	...
Brinton Peterboro' Carpet	38.00	42.00
British America Assce.	82.00	93.00
B.C. Sugar	27.50	29.50
B. C. Telephone 4½% pfd.	62.00	...
B.C. Telephone 5¾% pfd	99.50	100.50
British Mtge. & Trust	224.00	...
British N'fld. Corp. (Brinco)	4.00	5.00
Calgary Power 4½% Pfd	83.00	...
Can. Admiral Corp.	...	25.00
Can. Canners B	8.00	...
Can. Corp. Management	5.50	6.25
Can. Crushed Stone 6% pfd	92.00	...
Can. Delhi Pete.	6.25	7.00
Can. & Foreign Securities	12.00	...
Can. Insurance Shares	72.00	80.00
Cawthra Apts.	43.00	...
Chase, Dr. A. W. Common	1.60	2.25
Colonial Steamships com.	225.00	...
Commercial Finance	48.00	52.00
Concourse Bldg., units	75.00	...
Do. v.t.	56.00	...
Crown Life Insurance	92.00	99.00
Debenture & Sec. 5% pfd	76.00	...
Detroit Internat. Bridge	15.00	17.00
Dom. Can. Gen. Insce.	48.00	53.00
Dom. Linseed Oil Units	3.00	...
Dom. Manufacturers Com.	5.00	...
Do. 7% pfd	80.00	...
Dover Industries	8.75	9.50
Eastern Can. Savings	16.00	19.00
Eastern Trust Co.	25.00	27.00
Essex Packers common	1.00	2.00
Do. pfd.	25.00	35.00
Excelsior Life	125.00	132.00
Goderich Elevator	21.00	23.00
Granite Club	14.25	...
Gt. Brit. & Can. Inv. com.	11.00	13.50
Do. pfd	104.00	...
Gt. West Life	170.00	180.00
Guar. N. Amer. fully paid	310.00	330.00
Do. 20% pd.	80.00	...
Halifax Insurance	9.50	11.00
Halton & Peel Trust	9.75	10.50
Highland Dairy Pfd	40.00	...
Homewood Sanitarium	87.00	93.00
Hudson's Bay Co.	21.00	23.00
Humber Amusement Pier	.30	...
Humbertrone Shoe	8.50	...
Industrial Life	42.00	50.00
Industrial Mortge. & Trust	75.00	...
Ingersoll Machine 4% Pfd	87.00	...
Ingersoll Mach. & Tool B	5.25	6.00
Ingram & Bell Com.	3.75	4.75
Jenkins Bros.	55.00	65.00
Lambton Loan Sarnia	74.00	78.00
Lawson & Jones 1% pfd.	.75	...
Lond. Can. Inv. $3.00 pfd.	43.00	46.00
Do. A	39.00	42.00
London Life Insurance	125.00	140.00
Lord Simcoe Hotel A	2.00	2.50
Manufacturers Life	214.00	224.00
Maritime Life	118.00	...
Monarch Life 50% paid	285.00	300.00
Morrow Screw & Nut com.	38.00	43.00
National Life	275.00	295.00
Nat. Sewerpipe Units	12.00	14.00
Niag. Lower Arch Bridge	...	55.00
Nor. Ont. Nat. Gas Shares	11.25	12.25
Do. Units	28.00	30.00
($20 Den. & 1 com.)		
Nor. Tel. pfd.	18.75	20.00
Oakville Wood 6% pfd.	75.00	85.00
Paramount Oshawa Thea.	12.50	...
Park Lawn Cemetery	2.00	2.50
Pembroke Electric Light	32.00	...
Phillips Electrical	11.25	12.00
Prairie Royalty Trusts	2.25	...
Prudential Trust	20.00	25.00
Rapid Grip & Batten pfd.	85.00	95.00
Reliance Pete. A & B	25.00	...
Do. pfd.	37.00	41.00
Robin Jones Whitman pfd.	22.00	...
Royal Oak Dairy B	2.75	...
Sincennes McNaughton Line	3.00	...
Skyway Drive-In Theatres	1.65	1.95
Sovereign Life 25% paid	90.00	100.00
Standard Fuel com.	2.75	...
Do. $2.2? div.	34.00	36.00
Sun Life Assurance	188.00	198.00
Supercrete Ltd.	4.00	4.75
Teleflex Ltd.	9.00	...
Thorncliffe Park	4.80	5.00
Toronto & London Invests.	2.20	2.70
Toronto Med. Arts Bldg.	57.00	...
Trans-Can. Pipe Line shs.	22.50	23.50
Trjarch Corp.	112.00	115.00
United Can. Shares	9.50	10.00
Waterloo Manufacturing	5.00	...
Waterloo Trust	28.00	30.00
Westcoast Trans.	27.50	28.50
Western Assurance	62.00	67.00
Wood Alexander 6% pfd	80.00	90.00
By Kippen & Company Inc., Montreal		
Algom C. & H. B. Rly. com.	20.00	21.00
Cons. Theatres A	5.00	7.00
Do. B	2.50	3.50
Duputs Freres pfd	17.00	19.00
Guar. Co. of Nor. Amer.	290.00	315.00
Hart Battery com.	7.00	9.00
Hudson's Bay Co. (new)	21.25	22.00
London Canadian A	38.00	42.00
Maritime Tel. & Tel.	15.00	16.00
Mtl. C. & Dist. Svgs. Bank	44.00	46.00
New Brunswick Tel.	11.00	12.00
N. S. Light & Power	12.00	13.00
Ont. & Que. R. 5% Cp. stk.	100.00	...
Prov. Bank of Can.	25.00	27.00
Prudential Trust Co.	17.00	...
Sun Life Assurance Co.	180.00	190.00

SURVEYER, NENNIGER & CHENEVERT
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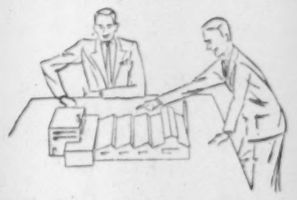
Preparation of plans and specifications for the
St. Lawrence Seaway Authority
for remedial sewage, drainage, and water supply works for South Shore Municipalities, and with Quebec-Hydro on alterations to the C.P.R. bridge at Caughnawaga, necessitated by the future Lachine hydro-electric power development.



COMPLETE ENGINEERING DESIGN OF INDUSTRIAL PROJECTS . . . every phase from . . . Site Selection, Layout, Structural and Building Services . . . to completion. Either alone or in collaboration with Clients' Engineers or outside Specialists.

This important PAPER *might have been* Superfine

MR. GLADSTONE SIR W. V. HARCOURT MR. CHILDERS THE MARQUIS OF HARTINGDON

— *A contemporary print by courtesy of Harper's Weekly*

GLADSTONE was Prime Minister when Superfine Linen Record was born in 1882. Documents which passed through the hands of British Cabinet members dealt with such matters as the formation of the provisional districts of Assiniboia, Saskatchewan, Athabaska and Alberta, the second Riel rebellion, the fisheries dispute with the United States. They might have been written by Sir John A. Macdonald.

It isn't even unlikely that such documents were written on Superfine because for years it was the only high grade all-rag paper made in Canada. The mill which produced this fine paper was founded by the late J. B. Rolland, appointed to the Senate by Sir John.

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SUPERFINE LINEN RECORD
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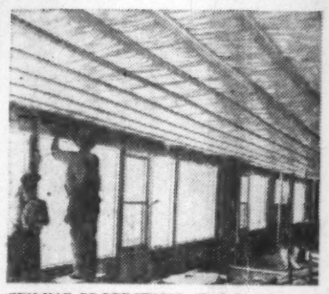

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TEMPORARY WALLS *and windows of polythene film, let in the light, keep out the weather.*

C-I-L POLYTHENE

Market Comment

What stocks and bonds are doing and what prominent observers say

Although many market analysts now see the possibility of a further year-end rally there is less likelihood of constructive bullish news coming out of business over the next several weeks.

The recession has become a little more pronounced and some businessmen who had earlier forecast an upturn starting next spring are now putting the time back to the last quarter of 1958.

Defensive stock groups such as the utilities and chain food stores are being increasingly recommended for investors.

* * *

H. BOS; McLeod, Young, Weir & Co. (Toronto)

Business prospects are not as good as they were a year ago, and the near-term outlook does not seem to hold much promise for improvement. The factors behind the change in trend are still at work, and in some instances may be intensified.

The world market for commodities remains depressed. Oil is subject to a world-wide glut. Productive capacity in the aluminum, nickel and pulp and paper industries has finally caught up with demand. Current indications are that the U. S. may increase its tariff on lead and zinc imports.

The labor picture is also clouded, as many contracts are up for revision in the next few months, and labor is determined to ask for more, notwithstanding the change in economic outlook. On the west coast the pulp and paper mills are currently closed down by strikes.

For these reasons the stock market will probably show little signs of real improvement until there are definite indications that business is on the upswing again. The current feeling seems to be that not much of an increase in business activity can be expected until the last quarter of 1958 or early 1959.

This is, of course, barring unforeseen circumstances, such as a major government defense spending program, or further substantial easing of credit restrictions and money.

Under current conditions the shares of chain food stores and public utility companies seem the most attractive—the chain food stores because of their defensive qualities in periods of recession; the utility stocks because they use a limited labor force and in many cases demand for energy is still greater than output.

Both groups serve only a Canadian market and are practically unaffected by world commodity prices.

The bond market will probably continue to improve, although a short period of consolidation seems indicated. This may present the investor with attractive buying opportunities. On the whole, the bond market looks currently more attractive than the stock market.

* * *

GREENSHIELDS & CO. (Montreal)

Most of the major indices of domestic activity continue below 1956 levels.

In addition, with respect to foreign trade, there are at the present time a number of depressive factors, including prospective U. S. tariff increases on lead and zinc; the clouded outlook for sales in the U. S. of Canadian crude petroleum; increased U. S. capacity of pulp, paper and aluminum, involving diminished reliance on Canadian sources of supply; and the continuing difficulties of grain exports.

On the other hand, certain areas of buoyancy exist, notably uranium. On balance, it seems reasonable to assume that Canadian exports will, in fact, do well to maintain present levels.

On the other hand, any reductions in the Canadian capital expenditure program should be followed by a fall in imports so that the net effect on the balance of international trade may, if anything, prove favorable.

In the government sector, measures so far undertaken, which are likely to have a stimulating effect on consumer expenditures include the pay rises in the civil service and the armed forces, the increases in old age security, pensions and the extension of winter unemployment insurance benefits.

There remains also the election promise of tax reductions.

In the field of capital outlays the future of housing is dominated by the various government injections of mortgage money while in that of non-residential expenditures, the government has agreed to assist in the financing or construction of certain power developments.

Thus, through a certain redistribution of income, the selective extension of credit and the provision of direct or indirect stimuli to capital investment, the government is already committed to measures which are counter-deflationary in their effects.

Corporation Bonds

(Supplied by Investment Dealers' Assn. of Canada)

Dec. 3, 1957.

Public Utility Issues:	Int. Rate %	Due	Bid	Ask.	Prev. Week Bid
Alg. Cen. H.B.R.	5	'59	133	137	137
Bell Telephone	5	'72	100	102	99½
Bowater Pr. Co.	3½	'80	81	84	81
Brazilian Traction L. & P.	4½	'70	78	...	78
B. C. Electric	3½	'67	83¼	86¼	84
Do.	3¼	'80	80¼	83¼	80¼
Do.	5½	'77	100¼	103¼	100
B. C. Telephone	5	'82	97	100	97
Calgary Power	3½	'72	79	...	79
Can-Met	5½	'62	87	90	90½
Consumers Gas	5½	'77	102	...	102
Gatineau Pr. D	5¼	'70	84	87	83
Gt. Lakes Pwr.	5¼	'77	101½	104	101
Maclaren-Quebec Power	3	'69	84	87	84
Mex. Lt. & Pr.	5	'75	76½	79½	76
Nat. Lt. & Pwr.	4½	'61	94½	...	94
North. Que. Pr.	4½	'67	88	91	88
Northspan	5½	'63	87	89	87
Power Corp.	5½	'77	97	...	97
Que. Nat. Gas	5½	'85	127	130	127
Que. Telephone	6	'77	104	...	103
St. Maurice Pr.	3½	'70	82	85	82
Shaw. W. & Pr.	4½	'75	96	...	94½
Tr. Can. P. L.	5.83	'67	128	132	131
W'cost T. deb.	3½	'88	107½	110½	107½
Industrial issues:					
Abitibi Pr., P.	6½	'77	104	106	103½
Do.	4	'74	88	...	87½
Acadia-Atlantic Sugar	4	'74	84	87	83
Alum. Co. of C.	4½	'73	94½	96½	93
Bathurst P. & P.	5½	'73	95½	...	95½
•Bicroft Ur.	5	'62	87	91	90
Br. Am. Oil	5½	'77	100	102	99½
Can. Bread	4	'67	84	87	84
Can. Cement	5½	'76	98	101	96
Can. Steamship	4	'66	91	94	89
Cdn. Breweries	4½	'81	85	88	85
Cdn. Canners	3½	'70	85	88	85
Cdn. Celanese	3	'62	87	90	87
Cdn. Chem. Cn.	5½	'71	88	91	88
Cdn. Industries (1954) Ltd.	3½	'74	84	...	83½
Can. Oil	4	'76	86	...	85
CPR	3½	'72	84	87	82
Cockshutt	4½	'65	83	86	83
Columbia Cell.	5	'68	88	91	88
Cons. Denison	5	'62	95	97	94½
•Cree Oil	5	'86	103	...	103
Dom. Fd. & Sil.	4½	'69	91½	...	93
Dom. Stores	5½	'76	100	103	100
Dom. Tar & Ch.	5	'69	94	97	94½
Dryden Paper	4½	'74	88	90	88
T. Eaton Acc.	4½	'74	96	98	96
T. Eaton Realty	5½	'76	98½	101½	98½
E. B. Eddy	4	'74	83	85	83
Elk Falls Co.	5	'75	90	93	89
Gen. Mot. Acc.	4½	'69	91	94	90
Gt. Lakes Paper	5	'76	93½	96½	94
Gunnar Mines	5	'60	98½	101	98½
H. Bay O. & G.	4	'75	84	87	84
•Husky Oil	5	'69	86	89	86
Imp. Tobacco	3	'70	83	85	83
Imperial Oil	3	'69	84	87	84
Indust. Accept.	6	'77	101	104	100
Loblaw Groc.	4½	'76	104	107	105
Do.	6	'77	110	112	110
Lorado Uran.	6	'62	88	91	92
Maple L. M.	3½	'62	87	...	85
Massey-Harris	4½	'67	80	84	79
Ont. Jockey Cl.	5½	'72	83	86	82
Petrofina	5½-7½	'77	100	102	100
Phillips Elec.	5	'73	89	...	90
Price Bros.	3½	'66	85	88	85½
Pronto Uranium	5	'60	96	99	96
Regent Refining	4½	'75	84	87	85
St. Law. Corp.	5	'72	98	102	96
Simpsons Ltd.	4½	'73	93	...	95
Simpsons-Sears	4½	'79	89	...	94
Steel Co.	2½	'67	82	85	82½
Traders Finance	4½	'71	85½	...	85½
Union Accept.	3½	'68	90	93	91
Un. Gr. Grow.	3½	'70	83	86	83
Weston, Geo.	4½	'71	94	97	93

•With warrants.

CONVERTIBLE ISSUES

Abitibi P. & P.	4½	'68	92	95	92
Atlas Steels Ltd.	5	'67	96	...	96½
Braz. Traction	4½	'71	73	76	70
CPR	3½	'66	89	...	89
Do.	4	'69	91	...	90
Cockshutt Farm	5	'68	83	...	84½
Home Oil	5½	'71	104	108	103
Do.	5	'71	114	118	114
Jupiter Oils	5	'67	60	85	80
Shaw. W. & P.	5½	'72	109	111	108½
Westcoast T.	5½	'88	108	110	108
Loblaw Groc.	4½	'76	105½	...	105
N. Concord D.	5½	'65	88	91	88
N. Sup. Oils	5	'64	82	85	82
Phillips Elec.	5½	'70	90	95	90
Scurry Oils	5	'64	75	80	75
Silverw'd Dair.	5½	'72	92	95	92
Triad Oils	4½	'71	86	88	86

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$18.50	$17.75	$19.97
Hogs	26.50	25.50	30.43
Copper, lb.	.27	.27	.36
Coffee, lb.	.54¾	.54¾	.6577
Sugar, raw lb.	.0570	.0560	.06
Hides	.13½	.13½	.15
Weekly Commodity Indices			
Dow Jones	161.96	162.36	166.15
U. S. Labor	117.8	117.8	115.7
Monthly Commodity Indices			
Canada (D.B.S.)			
Retail (Oct.)†	123.4	123.3	119.8
W'sale (Sept.)	224.7	227.6	227.4
C. F'm Pro. (Sept.)	208.5	212.6	209.0
U. S. (Sept.)	118.0	118.4	115.3
Gt Brit. (Aug.)*	154.2	154.8	155.8
Do (Aug.)▲	140.1	139.4	135.9

Note: †Cost-of-Living Index Revised to the Base of 1949=100.

Base of price quotations is as follows: Cattle-Steers, good up to 1,000 lb., to price Toronto. Copper-electrotypes, New York. Coffee No. 4 Santos Spot Raw Sugar 96 degrees centrifugal c.i.f.

aRevised.

Gt. Britain Index Revised. Base year 1949.

*Basic materials index (excl. fuel) for nonfood mfg. ind.

▲All mfg. products other than fuel, food and tobacco.

New Highs and Lows

During the week ended Nov. 29, seven new highs and 25 new lows were recorded among the general stocks on Canadian stock exchanges. In the mining group there were two new highs and 46 new lows. In western oils there was one new high and nine new lows.

GENERAL

New Highs—1957

Hubbard Felt A	Price Bros pf
Imp Invest A	Quebec Nat Gas
Imperial Tob	West Can Brew
Lucky Lager	

New Lows—1957

Assoc Artists	Gen Motors
Bathurst Pwr B	Gt Lakes Pwr
Bridge & Tank	Gt North Gas pf
Brown Co	Gurney Prod pf
Can Malting	Man & Sask A
Can Packers A	Mussens Can
Do B	Premier Sil
Cdn Fairbanks	Scarfe & Co A
Cdn Locomotive	SKD Mfg
Cdn Petrofina pf	Sovereign Life
Crestbrook Tim	Sup Propane warr
Excelsior pf	Tooke Bros pf
Fibre Products	

MINING

New Highs—1957

East Mal	Paudash

New Lows—1957

Alscope	Lorado Jr
Amer Neph	Macleod
Amos Lith	Majortrans
Anglo-Huronian	Marcon
Arcadia	McWatters
Atlas Sulphur	Nealon
Auil	Nello
Baker Talc	N Fortune
Beattie-Duq	N Minda S
Brilund	N Vinray
Brunswick	Northwest Ven
Can-Met warr	Pioneer G
Carnegie	Rix A'basca
Chipman	St Michaels
Cons Bi-Ore	Stanleigh
Cons Fenimore	Do warr
Cons Sannorm	Stanrock
Cons Sudbury	Steeg Rock
Duvex	Sudbury G
East Asb	Temagami
Haitian	Torbritt S
Hudson R	Yale Lead
Lamaque	Yukeno

OILS

New Highs—1957

H B Oil & Gas	York

New Lows—1957

Aldina	Hi-Tower
Bonnyville	N Richfield
Calalta	Roxana
Canada Oil Lands	Share Oils
Dubar	

CPR Rail Net Drop Persists

MONTREAL (Staff) — Net rail earnings for **CPR** during October were $4.8 million, down from $5 million the year before.

Revenues were also down by $3.1 million and expenses by $2.8 million.

Net earnings for the year were down $3.6 million from the same period in 1956.

Figures show:

	October 1957	October 1956	Decr.
	$	$	$
Rly. rev.	41,324,164	44,399,416	3,075,252
Rly. exp.	36,515,977	39,373,144	2,857,167
Net earns.	4,808,187	5,026,272	218,085
	10 Months Ended Oct. 31		
Rly. rev.	406,143,469	420,026,958	13,883,489
Rly. exp.	376,677,236	386,999,474	10,322,238
Net earns.	29,466,233	33,027,484	3,561,251

CNR Expenses Outrun Income

MONTREAL (Staff)—Revenues of **CNR** during October totaled $61.9 million, with expenses reaching $62.1 million.

The $185,000 deficit compares with an operating income of $9 million in October, 1956.

The figures show:

	October 1957	October 1956	Incr.
	$	$	$
Op. rev.	61,962,000	70,931,000	*8,969,000
Exps.	62,147,000	61,874,000	273,000
Net op. inc.	*185,000	9,057,000	*9,242,000
	10 Months Ended Oct. 31		
Op. rev.	635,168,000	645,741,000*	10,573,000
Exps.	631,887,000	601,561,000	30,326,000
Net op. inc.	3,281,000	44,180,000*	40,899,000

*Increase.

ANNOUNCEMENT

B. F. GOODRICH APPOINTMENT

M. E. BAILEY

KITCHENER, Ont. (Special) — M. E. Bailey, P.Eng., has been appointed general manager, industrial products sales division of B. F. Goodrich Canada Limited, it was announced by W. B. Flora, vice-president, sales. Mr. Bailey graduated from the University of Toronto with a B.A.Sc. degree in mechanical engineering in 1949 and joined B. F. Goodrich the same year. He was previously manager of belting and hose sales.

There is no one bolt that will meet all needs

...the same is true of air filters!

Bolts have *this* in common with air filters: there must be many different kinds to meet many different needs.

There is no one type of air filter that will meet all needs. That's why AAF (and *only* AAF) makes all types. Thus, you can be sure that *your needs*—not our salesmen—dictate AAF's recommendation of your air filtration equipment.

Before you select *your* filters, make sure you talk with the company that *offers* a selection. We'd like to show you how our complete-line approach to clean air needs benefits you—in *dollars* and *results*.

AAF CANADA

American Air Filter OF Canada LTD.

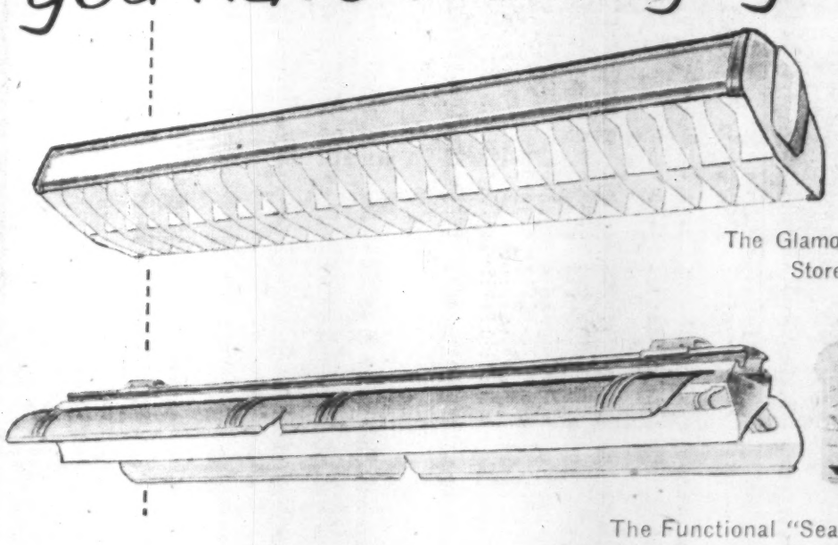
Factory and General Offices: 400 Stinson Blvd., Montreal 9

Now get 40% more light

Yes-more soft, luxuriant light than you have ever enjoyed before!

Now, by a combination use of the new 96" rapid start fluorescent tubes and either of Wilson's Grenada, Lumilux or Sea Gull fixtures, you can actually gain 40% more light without using additional lamps or fixtures. Or, get the same amount of light with less fixtures, and the resulting saving in initial cost.

This high percentage of light increase will pay big dividends in your working operations through increased production and the elimination of errors caused by faulty lighting. Better working conditions are assured and maintenance costs are considerably lower. The Lumilux, Grenada and Sea Gull fixtures are famous Wilson luminaires, engineered by lighting experts to gain the maximum efficiency with the new rapid start lamps. It will pay you to investigate this latest trend in improved lighting.



The Glamorous "Grenada" for use in Offices, Stores, Showrooms, Hotels, Banks, etc.

The Functional "Seagull" for factories, warehouses, garages and general industrial use.

Illustrated at the top: The Wilson Grenada available in 2 lamp and 4 lamp models, 48" or 96" in length, plastic or metal sides, a variety of shielding combinations. A truly versatile fixture that combines today's best lighting and most modern appearance in one installation.

Illustrated below: The Seagull, a true high-efficiency, moderately priced fixture suitable for lighting any area where function is the primary consideration.

Both these fixtures are the result of years of research and development by Canadian lighting engineers. For further information how they can benefit you, we suggest you contact your Architect, Consulting Engineer, Contractor or lighting supplier or mail the coupon on this page to our Head Office.

J. A. WILSON LIGHTING & DISPLAY LIMITED

DISTRICT SALES OFFICE { CENTRAL—167 AVENUE ROAD, TORONTO 5
EASTERN—1235 McGILL COLLEGE AVE., MONTREAL 2
WESTERN ONTARIO—25 BISHOP PLACE, ANCASTER HEIGHTS, ANCASTER, ONTARIO

REPRESENTATIVES — E. T. Battle, Winnipeg . . . Eric Ackland & Associates, Vancouver, Edmonton and Calgary . . . Head Office and Factory, 280 Lakeshore Rd., Toronto 14, CL. 1-3311

THE WEEK'S QUOTATIONS

Quotations here listed are the official, exchange prices for listed stocks including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

Montreal and Toronto Winnipeg, Calgary and Vancouver

Bid and Ask quotes of Toronto and Montreal exchanges up to press time are published on page 44

Industrial Stocks

WEEK ENDING NOVEMBER 29, 1957

Range 1957 High	Range 1957 Low	Div. $	Y'ld %	Company	Sales	Last Nov. 22	Week end. Nov. 29 High	Week end. Nov. 29 Low	Close or Latest
1.50	.35		..	Abitex Lumber..	25500	.53	.51	.46	.50
35½	22½	1.70	6.3	Abitibi	5770	26⅝	27½	26	27
24¼	22	1.12½	5.1	Do. 4½% pref..	905	22¼	22⅝	22	22
9½	7	.56	6.3	Acadia Atlan..	265	8¼	8¼	8	8
95	82	5.00	6.0	Do. 5% pref....	nil	..	B85	A87	85
21	16½	1.20	6.6	Do. (A)	200	18	18¼	18	18¼
..	..	•	..	Admiral	nil	..	B7¾	A8	..
8¾	6¼	.50	6.2	Agnew Surp. ...	110	8	8⅝	8¼	8½
9¼	8½	.55	6.3	Do. pref.	10	9¼	8¾	8¾	8¾
1.85	1.15	..	..	Aibt. Dist.	4700	1.35	1.40	1.30	1.30
1.70	1.10	..	..	Do. V.T.	2600	1.25	1.30	1.15	1.30
11.00	11.00	..	..	Albt. Gas Tr. ...	5632	13.25	13.25	12.50	13.00
40½	22	1.50	..	Algoma Steel ..	3345	24¾	25	23½	24⅞
50¾	26¾	.90	3.0	Aluminium	20762	30	30½	28¾	30
23½	20½	1.00	4.5	Alum of Can 1 p	250	21¾	22½	22	22½
48½	41	2.25	5.0	Do. 2nd pref...	1178	44⅞	45½	45	45
3.50	1.95	..	..	Analogue	200	2.00	2.25	2.10	2.25
6.00	3.85	1.40	..	Andian Nat. ..	nil	..	B3.80	A4.50	12.50
22¼	17¾	1.50	..	Anglo. Can. Oils. (Brandon)	nil	..	..	A22½	17¾
39½	25	2.00	7.0	Arg. Cdn. Pulp..	980	28½	28½	28½	28½
51½	45	2.80	5.6	Do. pref.	20	47	48	48	48
46	36	2.85	6.1	Ang. Can. Tel. p	90	38	38	37	37
10¼	5	1.35½	..	Ang. Nfld.	5825	5⅝	5½	5¼	5⅛
..	..	£1.25	..	Angl-Scand. Inv.	nil	..	..	..	11
25½	22½	1.20	6.0	Anthes Imp.	nil	..	B20	A22	120
40	22	..	..	Arcan Corp.	2000	24	.27	.25	.25
20	12½	.80	5.7	Argus	1351	14	15	13⅝	14
50⅜	40	2.40	5.9	Do. pref. A	345	41	42	41	41
43	36	2.50	6.3	Do. B pref.	245	39	39½	38⅞	39½
..	..	▪1.00	..	Aro Equip.	nil	..	..	..	35
35	25	1.90 + 1.75	..	Asbestos	1827	30¾	31⅜	30½	31½
4.50	2.50	..	..	Ash Temple	nil	..	B2.50	A3.00	12.50
94	90	6.00	6.7	Do. (A)	nil	..	..	A91	90
8¾	8⅜	.65	7.9	Do. (B)	nil	..	B8⅜	A8½	18¼
12½	12	.60	4.9	Ashdown Hd. A.	nil	..	..	..	112¼
12¾	10	.72	6.9	Do. (B)	nil	..	B11	A12	10½
11½	5¾	..	..	Assoc. Artists ..	2663	7⅞	7⅝	..	7
15¼	3.60	..	..	Do. Warr.	2960	3.95	4.00	3.60	3.95
119	75	..	..	Do. Deb.	360	84	89	82½	88
..	4.00 + 2.00		..	Assoc T&TA pf..	nil	..	..	..	101
7	5	..	..	Atlan. Accept ..	nil	..	B6	A6	5¾
14	13	1.10	7.9	Do. pref.	nil	..	B14	A18	14
29¾	15½	1.00 + .25	..	Atlas Steels	7176	18¾	18½	18	18¼
16	12¼	1.80 + 1.20	..	Auto Electric ..	nil	..	B13	A13½	13
11¼	10½	.50	4.5	Do. (A)	nil	..	..	A11	11
4.75	2.75	•	..	Auto Fabric A..	115	12.75	3.50	3.50	3.50
1.10	.50	•	..	Do. (B)	nil	..	B1.00	A4.25	1.00

B

42½	34½	1.20 + 1.30		Bk. Can. Nat. ..	225	35½	35¾	35¼	35¾
54¾	37	1.40 + 1.20		Bk. Montreal	4261	42¾	43	41½	41½
60	36½	2.00 + 1.30		Bk. N. Scotia	1132	52⅛	52½	51	52½
..	..	3.20 + 12.10		Bker-Ellis	nil	..	..	..	..
..	..	3.50	..	Do. pref.	nil	..	..	..	..
5	4¼	..	..	Barcelona	nil	..	B3½	..	13¾
9	8½	1.00	11.8	Bates & Innes A.	nil	..	B8⅜	..	8½
60	40½	3.00 + 1.50		Bathurst Pr. A..	260	42	43½	42	42¾
40	19½	1.50	..	Do. (B)	165	20	21	19½	19½
..	7½	•	..	Beatty Bros.	400	8¾	9	8¾	8¾
30¼	29⅛	1.10	..	Beaubran	nil	..	B25¼	A26¼	30¼
20	15½	1.00	5.9	Beaver Lumber..	215	18	17¾	17	17
20	16	1.00	5.9	Do. (A)	nil	..	B17	A17	17
25	17½	1.40	6.2	Do. pref.	nil	..	B24½	A25	122½
10½	8	1.15	..	Belding Cort. ...	nil	..	B6	A10	10½
13	9¾	.70	7.2	Do. pref.	nil	..	..	..	9¾
5	5	..	..	Belgium Stores..	50	5	16	16	16
14	12½	1.00	8.0	Do. pref.	25	12½	12½	12½	12½
46½	35⅝	2.00	5.0	Bell Telephone ..	21409	40	40	39⅛	39⅞
7	4¼	.40	6.2	Biltmore Hats ..	nil	..	B6⅝	A7½	6½
13	10½	1.00	8.3	Do. A pref.	nil	..	B10⅝	A12	12
50	50	2.40 + 1.40		Bird Constr.	nil	..	B48	..	50
12	12	..	..	Blue Ribbon	nil	..	B12	A15	12
38½	35	£2.50	..	Do. pref.	25	35	35	35	35
6.00	3.50	12¼%	..	Bowater Pap.	1379	3.75	4.00	3.65	3.70
45	40	2.50	6.1	Bowater N.A. 5% p.	285	41	41	41	41
49	42½	2.75	6.3	Do. 5½% pref. .	110	43½	44	43	44
16	12½	£1.00	..	Bowes Ltd.	nil	..	..	A13¾	13¾
10¾	8	.60	7.5	Boyles A	100	8½	8	8	8
9	6½	..	..	Do. B	nil	..	B6½	A7½	6½
18	15	1.00	5.8	Brant Cord. A ..	nil	..	B15	A17¼	17¼
12¼	9	.50	4.2	Do. B	nil	..	B12	A12	12
10	6	£.53 + ▪	..	Brazilian Tr.▪ ..	13938	6	6¼	6	6
96	88½	6.00	6.8	Do. pref.	nil	..	..	A89	88½
18½	15¾	1.20	7.6	Bridge & Tank..	100	16	15¾	15¾	15¾
49½	43	2.90	6.2	Do. pref.	90	46½	47	46½	46½
8.90	4.10	..	..	Do. warr.	475	5.50	5.50	5.25	5.25
19	15½	.75	..	Bright, T. G.	nil	..	B16¼	A16½	16
20	15½	1.15	5.8	Do. 5% pfd. ...	nil	..	B16	A21	20
35¾	29⅝	11.33 + .65		Br. A. Bk. Notes	135	31½	32½	32	32½
87⅞	33¼	1.00	2.6	Brit. Amer. Oil .	20074	36¾	38	37¼	38
84	75	4.00	5.2	B.C. Elec. 4% pf.	80	76	77½	77	77
43	38	2.12½	5.4	Do. 4½% pref. .	10	39	39	39	39
47	38	2.25	5.3	Do. 4½% pref. .	25	42	42¾	42¾	42¾
95¾	86	4.75	5.3	Do. 4¾% pfd. ..	90	88	89	86	89
50	44¾	2.50	5.4	Do. 5% pfd.	542	46½	47	46	46¼
13⅝	7½	.50	6.8	B.C. Forest	5776	8¼	9	6½	6¾
17½	11½	.75	6.2	B.C. Packers A ..	105	11½	12½	12	12½
17½	11	£1.00	..	Do. B	50	12	12¼	12¼	12¼
53	33½	1.40	3.6	B.C. Power	4680	39½	39¾	39	39¼
47¼	37	2.00	5.1	B.C. Tele.	701	38¾	39½	38	39
1.10	.85	..	..	B.C. Turf	nil	..	..	..	.85
17⅞	10¼	1.00	..	Brown Co.	1100	10⅝	10¾	10¼	10½
8	5⅜	.30	..	Bruck S. Mills A	150	5½	5⅝	5⅜	5⅜
3	2	•	..	Do. B	50	2	2	2	2
37	29½	1.80	5.3	Build. Prod.	545	34	34	33¾	34
7⅞	3¾	.50	8.7	Bullock's A	nil	..	B4	A5¾	5¾
15¼	4	1.35	..	Do. B	50	5¾	5¼	5¼	5¼
15½	11¼	3.45 + .25	..	Burlington St'l.	100	12¼	12½	12¼	12½
12	9	.60 + 1.10	..	Burns & Co.	1784	10¼	11	9	11
7¾	6⅜	.45	6.8	Burrard D.D. A .	40	6¾	6⅝	6⅝	6⅝
2.50	1.50	..	..	Butterfly Hos. ..	nil	..	B1.75	A3.00	2.25

C

22	21	1.50	7.1	Caldwell Lin. 1 p.	nil	..	B20	A21	21
..	..	•	..	Do. 2nd pref. ..	nil	..	..	..	13
60	56	2.00	3.0	Calgary Pwr.	1240	65½	67	65	65¾
102	95	5.00	5.1	Do. 5% pref.	120	97½	98½	98½	98½
Canada									
3.50	2.50	.10	2.9	Canada Bread ..	nil	..	B2.75	A3.00	3.50
55	50	2.50	5.0	Do. pref. B	nil	..	B42	A53	50
30½	20¼	1.00	4.4	Canada Cement .	2394	23	23	22	22¾
29	26	1.30	4.7	Do. pref.	220	27	28	26½	27½
8½	5⅝	.10	..	Can. Cr. & C. St.	725	6	7	6	6
24	20	1.25	5.7	C. & D. Sugar ..	775	20¾	22	20½	21¾
14	14	£1.00	..	Can. Floor B	nil	..	B13½	..	14
17	12	.40 + 1.20	..	Can. Foils	nil	..	B15	..	15
17½	12½	.60 + 1.43	..	Do. A	nil	..	B16½	A18	16½
21	18	..	..	Can. Fr. S.	nil	..	B11	A12½	11
28	24½	1.50	6.0	Do. A	nil	..	B25	A26	25
42	24¾	1.50	5.5	Can. Iron	750	29	28	26½	27½
111	85	4.25	4.6	Do. 4¼% pref. .	20	89	93	93	93
175	115	4.60	3.7	Can. Life	15	120	125	125	125
10	8	..	..	Can. Machine ..	nil	..	B8	..	8
55	44½	2.00 + ▪	..	Can. Maltings▪ ..	736	45	46	44½	46
24¼	22½	1.17	5.1	Do. 4½% pfd. ..	280	23¼	23½	23	23
39½	33⅝	1.62½ + .12½		Can. Packers A	620	35½	34½	33½	33⅝
37½	33⅛	1.62½ + .12½		Do. B	435	34	34	33	33
90	73½	3.45 + .10		C. Perm. Mtge.	15	80	81	81	81
94	85	4.40	5.5	Can. Safeway pf.	5	85	85	85	85
43½	29	1.40	3.2	Can. Steamships	395	32	32	31½	31½
12½	10½	.62½	5.6	Do. pref.	35	11	11¼	11	11¼
21	17¼	1.00 + 1.25	..	Can. Vinegars ..	nil	..	B20	A20½	20½
..	..	..	..	C. West. Cord. A	nil	..	..	..	8½
..	..	..	..	Do. B	nil	..	..	..	..
..	..	4.00	1.9	Can. W. Cable A	nil	..	..	..	210
31	13	.80	5.8	Do. B	275	14	14	13½	13¾
Canadian									
160	125	1.00	0.6	Canadian Arena	nil	..	B150	..	160
5	4	•	..	Cdn. Bakeries ..	nil	..	B5½	A5½	5
50	35½	1.40 + 1.20	..	Cdn. Bk. Com. .	2704	45½	46	43¾	44
26	23	1.50	6.0	Cdn. Breweries.	3973	25	25½	24¾	25
29¼	23½	1.25	4.8	Do. pfd.	10	27½	26	26	26
19	9	▪1.50	..	Arc Equip.	nil	..	..	..	35
30¾	25	£1.75 + .25	..	Cdn. Bronze A ..	85	25½	25½	25	25
103	100½	5.00	5.0	Do. pref.	nil	..	..	A100	100½
14½	12¾	.75	5.7	Cdn. Canners A	715	13	13½	13¼	13¼
18¼	12⅝	.70 + .15	..	Cdn. Celanese .	1462	13¾	15	13¾	14
21	20½	1.70	6.3	Do. $1.75 pref. .	125	28½	28	28	28
16¾	15	1.00	6.2	Do. $1.00 pref. .	nil	..	B15¾	A20	15¾
9.00	4.60	..	..	Cdn. Chem.	5153	5.00	5.15	4.90	5.00
7.25	4.00	▪	..	Cdn. Collieries▪	5790	4.25	4.50	4.15	4.50
.85	.56	.05	8.3	Do. pref.	4075	.68	.68	.62	.68
3.60	3.50	..	..	Cdn. Convert. A	nil	..	B3.50	A4.00	3.50
4	4	..	..	Do. B	nil	..	B4	..	4
14	10	•	..	Cdn. Cottons	220	11	10½	10	10
8	5	..	..	Do. pref.	5	5	5	5	5
9	7½	.45	..	Cdn. Drawn St.	100	8½	7¾	7¾	7¾
10¾	9½	.60 + ▪a2.00		Do. pref.	100	9½	9½	9½	9½
22½	13½	1.00	6.5	Cdn. Dredge	760	16	16	15½	15½
21	16	1.20	7.5	Cdn. Fairb	300	17	16	16	16
125	120	▪6.00	4.9	Do. pref.	nil	..	B110	..	122
3.50	2.50	..	..	Cdn. Food Prod.	nil	..	B2.50	A2.75	2.50
8¼	7	..	..	Do. A	250	7	7	7	7
14	13	1.10	7.9	Do. pref.	nil	..	B14	A18	14
29¾	15½	1.00 + .25	..	Do. 5% pref.	7176	18¾	18½	18	18¼
16	12¼	1.80 + 1.20	..	Auto Electric ..	nil	..	B13	A13½	13
11¼	10½	.50	4.5	Do. (A)	nil	..	..	A11	11
4.75	2.75	•	..	Auto Fabric A..	115	12.75	3.50	3.50	3.50
1.10	.50	•	..	Do. (B)	nil	..	B1.00	A4.25	1.00

D

90	88	7.00	7.8	Dalex & Co. pfd.	nil	..	..	B88	A95	90
48	48	3.00	6.3	David & Fre. A .	nil	..	..	B20	A48	48
11	7	..	..	Davis Leather A	100	7	7⅛	7⅛	7⅛
3.50	2.00	..	..	Do. B	nil	..	B2.50	A3.25	2.50
190	190	£1.00	..	De Havilland A .	nil	..	B141	A250	190
33	22⅜	1.20 + 1.50		Distill.-Seagram	6770	26	27	25⅛	26⅝
455	425	£10.00 + 7.0		Dom. Ang. Inv. .	nil	..	B410	..	455
95	95	5.00	5.3	Do. pref.	nil	..	B88½	..	95
28½	19¼	1.65 + .30		Dom. Bridge	2962	21¾	21¾	21	21½
10	6½	..	..	Dom. Coal pref..	50	8	8	8	8
14½	13⅜	£1.00	..	Dom. Corset	225	14¼	14¼	14¼	14¼
8	7	..	..	Dom. Dairies	1121	7¾	7½	7	7
17½	17	•	..	Do. pref.	2	17½	17	17	17
13	8	£.50	..	Dom. Electro	nil	..	B8	A10½	12
25	17	£1.00 + .20		Dom. Engineer ..	240	17⅛	18	17½	18
10¾	10	.60	..	Dom. Fabrics	nil	..	B10	A10½	..
23	18	1.50	6.5	Do. 2nd pref. ..	nil	..	..	A23	23
33½	22⅜	£1.00	..	Dom. Fdry.	1979	26	26	25½	25¾
99	95⅜	4.50	4.7	Do. 4½% pf. ..	120	96	96½	96	96½
69	51	£2.00 + .60		Dom. Glass	20	53	58¾	54	58¾
15	14	.70	5.0	Do. pref.	600	14	14½	14¼	14
210	196	6.80	..	Dom. Insur.	nil	..	..	B166	..	196
16	9½	1.50	..	Dom. Magnets ..	785	10¼	10	9½	10
31½	26	1.80 + .40		Dom. Oilcloth ..	330	29	29	29	29
27½	19	1.80 + .20		Dom. Scot. Inv. .	60	19	19	19	19
47	40	2.50	6.3	Do. pref.	60	40	40	40	40
32½	16¾	1.00	5.4	Dom. St. & C. ..	2646	18¾	18¾	18	18⅜
57½	39½	1.25	2.6	Dom. Stores	2105	48	48½	47	48
12⅞	7½	.80	4.9	Dom. Tar & Ch. .	13725	9¾	10½	9¾	10¼
22	16½	1.00	5.6	Do. pref.	35	17⅜	19	18	18
9¼	7	£.60	..	Dom. Textile	7255	7⅛	8	7½	8
135	116	7.00	6.0	Do. pref.	nil	..	B110	..	116
1.25	.50	..	..	Dom. Woollens ..	300	.50	.50	.50	.50
15	13	.80 + 1.50		Donald Ropes B .	25	12	12¾	12¾	12¾
1.75	.60	..	..	Donnell & Mudge	2500	.60	.60	.60	.60
13⅝	10	£.45	..	Donohue Bros. ..	800	10⅝	10¾	10¼	10¾
30½	30	..	..	Dow Brew.	555	30	30	30	30
22	16½	1.50	..	Du Pont of Can.	1818	18	18¼	17⅝	18
83	70	3.75	4.9	Do. pfd.	50	72	76	76	76
7¾	6½	.55	7.9	Dupuis Fre. A ..	125	7	7	7	7

E

10	6	..	..	East Koot. Pr. ..	nil	..	..	..	7
130	97	£3.50	..	Do. pref.	nil	..	..	A112½	115
..	..	4.00 + ▪1.50		East Baker 4% pf.	nil	..	..	..	.90
8.25	.30	..	..	East Steel	2825	.30	.75	.35	.35
13	7¼	.20 + £.35		Easy Washing ..	50	8¾	9	9	9
15⅜	13	1.00	6.7	Do. 5% pref. ..	nil	..	B13½	A15	15
41¾	31¾	1.00 + £.60		Economic Inv. ..	nil	..	A32	B33	31¾
27¾	24¼	£1.12½	..	Eddy Match	nil	..	B24	A24	24½
50	38	£1.12½	..	Eddy Paper	nil	..	B37¼	A41	38
58	37	1.00	2.6	Do. A	100	38	38	38	38
3.15	2.00	£.08 + .08	..	Edmon. Concr. ..	nil	..	B3.15	A3.35	3.15
..	..	..	..	Electra Invest. ..	nil	..	B.98	..	1.25
11¾	9	▲1.00	..	Electrolux	70	10⅜	10	10	10
79	40	£.75	..	Empire Life	nil	..	B35	A50	130
5½	5	.40	8.0	Enam. & Heat. A	nil	..	..	..	5
1.10	1.00	..	..	Do. B	nil	..	B1.10	..	1.00
50	35	£.65 + .25		Equitable Life ..	25	40	41	41	41
61½	53	4.60	12.0	Erie Fl. & Wd. A	nil	..	B47	A6	15
2⅜	2¾	• 10	..	Do. B	25	12	12½	12½	12½
19	18½	1.04	6.1	Estabrooks pref. .	nil	..	B17	A19½	117
.93	.41	..	..	Excelsior Ref. ..	3950	.42	.46	.41	.45

F

18	14	1.50	9.8	Fam. Players	1240	15½	15¾	15	15¼
23	17	▲1.50	..	Fanny Farm.	395	18	18	17½	18
48	48	£2.00 + 1.00		Fed. Fire 25% pd.	nil	..	..	A49	145
33½	23	£1.35	..	Fed. Grain A	298	27	27	26	26
28¾	23	.40	2.6	Do. pref.	30	26½	25½	25	25
1.75	1.30	..	..	Feraico	100	1.30	1.30	1.30	1.30
4½	3	..	..	Fibre Products ..	100	3½	3	.3	3
..	..	..	..	Do. pref.	nil	..	..	A2½	14
11	9¼	.80	7.3	Fisher, B. A	nil	..	B10	A12½	11
9	8½	.30	..	Do. B	nil	..	B7½	A8¼	8½
5½	2¾	..	..	Fitzhugh	nil	..	B4.63	..	5.50
10	8	.60	6.1	Do. A	nil	..	B7½	A10	8
..	..	..	..	Flash Fast. pref.	nil	..	B15	..	118
1.10	.35	..	..	Fleet Mfg.	940	.41	.45	.45	.45
56⅜	40¼	▲2.40	..	Ford Mot. (U.S.)	255	42	41	40¼	41
115½	76	5.00	6.7	Ford (Can.) A ..	2958	80	80	73½	74⅜
117	85	5.00	5.9	Do. B	nil	..	B79½	A100	83
4.50	2.50	..	..	For. Srvs.	760	3.00	3.00	2.75	3.00
26	12	1.95	..	Foundation Co. ..	1093	17	17½	16¾	17
34	20¾	1.20 + 1.30		Fraser Cos.	1911	21	23¾	120½	23
..	..	.50 + .60		Freiman	nil	..	..	..	112½
95	94	4.50	4.8	Do. pref.	nil	..	..	A90	94
6⅜	5⅜	..	..	Fruehauf Tr.	nil	..	B5½	A7	6½

G

31¼	26	1.40	4.9	Gatineau Pwr. ..	1565	28	29	28	28½
106	92¼	5.00	5.0	Do. 5% pref ..	40	101	100¼	100	100
108	101	5.50	5.3	Do. 5½% pfd. ..	nil	..	B102½	..	103¼
6.00	4.75	.30	5.9	Gen. Bakeries ..	1000	5.00	5.25	5.00	5.12½
66½	47	£4.00 + ▪		Gen. Dynamics ▪.	2963	56	57½	53	57½
..	..	£2.00	..	Gen. Elec.	nil	..	..	..	56
45	34	£2.00	..	Gen. Motors	913	133	35¼	34	34⅞
36	30½	▪	..	Gen. Products A▪	nil	..	..	A30	30½
39	36	▪	..	Do. B▪	nil	..	..	..	36
8	4½	2.40	7.0	Gen. St. Wares. .	735	5⅝	5¾	5½	5¾
86	78	5.00	6.3	Do. pref.	nil	..	B79	A80	79
205	142	4.00 + £2.00		Goodyear Tires .	25	150	146	145	146
47½	41	2.00	4.4	Do. pref.	60	44½	45	44	45
..	..	..	..	Gord Belyea A ..	nil	..	..	..	102
7½	6	.50	8.0	Gord. MacKay A	300	6	6¼	6¼	6¼
6¾	6	.50	8.3	Do. B	550	6	6¼	6	6
..	..	£1.00	..	Goulds Pumps pf.	nil	..	..	..	116
14	13¼	1.00	7.5	Grafton A	nil	..	..	A13¾	113
..	..	£.35	..	Do. B	nil	..	..	..	..
36¾	36¾	1.95 + .30		Grand & Toy	nil	..	B36½	A44½	36¾
47½	26½	1.60	5.4	Gt. Lakes Pap. ..	2456	29¼	30	29	29¼
27½	15	..	..	Gt. Lakes Pwr. .	510	18	15	15	15
23¼	21	1.25	5.7	Do. pref.	240	120½	22	21	22
10⅝	5¾	..	..	Gt. North Gas ..	1425	6½	6½	6	6
6.50	2.50	..	..	Do. warr.	250	2.95	3.25	3.10	3.10
50¼	36	2.50	6.9	Do. pref.	50	40	36	36	36
52	40	2.80	7.0	Do. $2.80 pfd. .	20	40½	40	40	40
2.45	2.25	..	..	Do. Seb. B. W.	180	2.30	2.30	2.30	2.30
9	5	.50

Mining Stocks

WEEK ENDED NOVEMBER 29, 1957

Range 1957 High	Low	Company & Dividend ($)	Sales	Last Nov. 22	Week Ending Nov. 29 High	Low	Close or Latest
.16	.06	Acadia Ur.	8525	.07	.07	.06	.06
.12	.04	Ad Astra	1500	.07	.07	.07	.07
10.12½	2.25	Advocate	1700	2.50	2.35	2.00	2.00
.25	.25	Agassiz	nil			A.35	.25
.44	.25	Akaitcho	9050	.30	.35	.29	.35
.20	.06	Alba	18000	.06	.07	.06	.07
25.25	12.87½	Algom	4702	15.00	15.75	14.75	15.50
99.50	92.00	Do. 5% debs	20	93.50	95.50	95.00	95.00
17.00	5.00	Do. warr.	3450	8.25	6.40	6.00	6.25
21.50	21.50	Do. v.t.	nil		B14.00	A19.00	21.50
.70	.12½	Alacope	9568	.16	.16	.12½	.12½
.11	.05	Alta.	nil		B.03	A.05	.05
.29	.10	Amal. Lard	1000	.11	.13	.13	.13
2.00	.30	Amal. R. M.	790	.55	.65	.65	.65
.17	.09	Amer'm.	4000	.05½	.10	.08	.10
1.91	.72	Am. Neph. .04	2800	.75	.80	.72	.80
.24	.07	Amer. Stand.	1000	.07	.07	.07	.07
.50	.20	Amos Lith.	1000	.35	.20	.20	.20
2.00	.50	Anacon	22732	.54	.57	.52	.56
13.00	8.60	Anglo-Hur. .50	300	9.00	9.00	8.60	8.60
.94	.24	Anglo-Rou.	4500	.28	.27	.28	.28
.70	.15	Asgii	4850	15½	.16	.15	.15
.30	.06	Anthonian	5500	.09½	.10	.10	.10
2.20	.25	Arcadia	174100	.37½	.36	.25	.33
.82	.14	Do. warr.	nil		B.17	A.24½	.20
1.85	.37	Area	8800	.70	.70	.64	.66
.19	.07	Arjon	2000	.08	.08	.07	.07
.10	.03½	Arno	nil		B.03½	A.04	.04
.17	.05	Atlas Sulp.	3967	.06	.07	.03	1.03
.14	.06	Atlas Y'k	2000	.06	.06	.06	.06
3.16	.16	Atlin-Ruff	41200	.27	.28	.24	.27
.17	.05	Aubelle	7600	.06½	.06	.06	.06
.20	.05	Ault	3000	.07	.06	.05	.05
.29	.13	Aumacho	15760	.17	.18	.12	.18
.21	.06	Aumaque	1000	.07½	.07½	.07	.07
3.10	1.62	Aunor	1100	1.90	1.91	1.82	1.82
.12½	.05	Avillabona	1000	.06	.05	.05	.05

B

2.75	.25	Baker Talc	10900	.26	.27	.23	.27
.14	.02½	Bard Ore	2000	.04	.04	.04	.04
.35	.07	Bardowan	1000	.07½	.08	.08	.08
.42	.13	Bankeno	3500	.15	.15	.13	.13
.12½	.06	Bankfield	2000	.06	.06	.06	.06
.45	.18	Barnat	5000	.18	.19	.19	.18
.32	.05	Barvallee	100	.05	.05	.05	.05
.24	.10	Barvue	16450	.20	.22	.15	.16
.75	.50	Barymin	1100	.50	.53	.50	.53
.92	.20	Base Metals	28200	.32	.32	.26	.29
.47	.10	Baske	9050	.13	.14	.12	.14
3.50	.15	Bateman	23900	.15	.15½	.15	.15
.11	.04	Beatrice	nil		B.04	A.04	.05
1.59	.24	B'tie-Dug.	32133	.28	.29	.24	.26
1.75	.45	Beaucage	2800	.66	.65	.60	.65
.40	.10	Beaver L'ge	25090	.12	.15	.13	.15
2.15	.99	Belcher	176248	1.53	1.65	1.40	1.45
.88	.40	Bellechase	24050	.55	.58	.52	.53
.23	.06	Belle-Chib.	1000	.06	.06	.06	.06
1.93	1.45	Belleterre 10	nil		B1.40	A1.45	1.45
2.75	.85	Bethle'm	18200	.80	.89	.76	.85
.32	.16	Bevcon	8094	.15	.15½	.12	.13
.12	.04½	Bibis-Yuk.	4000	.05	.04½	.04½	.04½
2.65	.80	Bicroft	13450	.88	.90	.80	.90
3.70	.20	Do. warr.	3550	.32	.41	.35	.40
.70	.08	Bidcop	3000	.08	.08	.08	.08
3.12	.15	Black Bay	9000	.20	.27	.25	.27
.14	.04½	Bonville	12000	.05	.05	.04½	.05
.17	.07	Bordulac	3500	.07	.07	.07	.07
.48	.06½	Bornite	35800	.07	.06½	.04	.06½
.18½	.07	Bouscadillac	nil		B.08	A.09½	.08
1.55	.33	Bouzan	43250	.50	.51	.48	.50
.19	.06	Boymar	17000	.08½	.10	.08	.09
		Bralorne					
3.30	2.75	1.20+1.10	8410	4.20	4.50	4.15	4.50
.90	.60	Britland	81100	.14	.14½	.08	.13½
3.07	.31	Broulan Reef	6160	.63	.63	.60	.62
.19	.05	Brunhurst	11000	.05	.05½	.05	.03½
.15	.05	Brunsman	7000	.06	.06	.05½	.05½
12.50	3.95	Brunswick	1750	4.30	4.25	3.95	4.00
.11½	.04½	Buffadison	2000	.06	.06½	.05	.05
2.30	.67	Buff. Ank .05	506	.72	.74	.67	.74
.11¼	.03	Buff. R.L.	nil		B.05½	A.06	.06
4.50	3.20	Bulolo 1.50	1530	3.50	3.50	3.35	3.50
.18½	.06	Bunker Hill	3000	.06	.07	.06	.06
.88	.15	Burchell	66900	.21½	.23	.19	.21
1.30	.20	Burnt Hill	nil		B.24	A.26	.21
.20	.15	Burrex	nil				.20

C

.81	.18	Cable	1500	.18	.20	.19	.20
.11½	.04	Calumet	4300	.04	.03	.03	.03
13.50	3.75	Camp. Chib.	17702	3.75	3.70	3.20	3.50
		Camp. R.L.					
6.20	4.50	1.25¾+.05	400	4.95	5.00	4.90	4.90
		Canadian					
.24½	.06	Canadian Ast.	24526	.07½	.08	.07	.07
3.70	.50	Can. Dyno	19833	.60	.82	.67	.87
.45	.14	Can. Lith.	34200	.20	.24	.18	.22
.36	.20	Can. Mal	1000	.21	.20½	.20	.20
.40	.11	Can. N. Inca	nil		B.16½	A.20	17½
.14	.04½	Can. Thor	2500	.05½	.06	.05½	.05½
.82	.15	Canalask	34800	.29	.35	.30	.31
.69	.11	Canam	2500	.12	.13	.13	.13
.56	.16	Candore	4500	.20	.18	.18	.18
1.02	.14½	Can-Erin	82633	.25	.25	.21½	.24
6.60	1.70	Can-Met	115802	2.15	2.15	1.90	1.95
4.60	1.00	Do. warr.	39875	1.12	1.13	1.00	1.00
.55	.09	Canuba	3800	.12	.12½	.12	.12
.15	.03½	Capilano	nil				.04½
.54	.13	Capital	27000	.18	.20	.16	.18
.57	.09	Captain	6000	.09½	.10	.09	.10
.74	.45	Cariboo	1200	.50	.49	.43	.49
.19	.03	Carnegie	1000	.03	.03½	.03½	.03½
.07½	.03	Cartier M.	10000	.03	.03	.03	.03
8.50	8.25	Cassiar Asb.	3300	6.05	6.10	6.00	6.10
5.35	3.00	Castle-Tre. 1.15	900	3.25	3.40	3.25	3.25
7.00	4.20	Cayzor	100	4.70	4.60	4.60	4.60
.15	.05	Cen. Man.	1000	.06½	.06½	.06	.06½
2.90	.62	Cen. Pat.	1500	.75	.75	.72	.75
.17	.07	Cen. Porc.	500	.07½	.07	.07	.07
.28	.04½	Cheskirk	4600	.08	.09	.08	.08
.36	.16½	Chesterville	500	.17	.16½	.16½	.16½
.27	.07	Chib. Jac.	33705	.44	.40	.40	.43
.60	.10	Chib. K'rand	5000	.14	.12	.12	.12
4.25	.85	Chib. Min.	17800	.75	.85	.71	.80
1.52	.40	Chimo	5850	.45	.49½	.45	.46
.46	.05	Chipman	7500	.06	.07	.05	.07
3.63	2.48	Chromium	900	2.70	2.80	2.55	2.80
.40	.09	Cleveland	4000	.10	.11	.09	.09
		Clix	nil				.12
7.00	1.75	Coast Cop.	nil		B2.02	A2.50	2.00
.88	.12	Cobalt	21847	.14	.17	.13	.16
2.14	.75	Cochen'f	10400	1.73	1.75	1.63	1.70
.85	.13½	Cody-Reco	30500	.25	.24	.22½	.22½
.17	.10	Coin Lake	1000	.12	.11	.11	.11
2.14	.38	Col'stream	120600	.50	.50	.42	.48
.58	.30	Coleman A	500	.30	.30	.30	.30
.36	.25	Do. B	500	.30	.25	.25	.25
.16	.04½	Colomac	2000	.05½	.05½	.05	.05
.47	.20	Cominga	3500	.33	.35	.31	.31
2.80	.50	Coniagas	16300	.50	.56	.52	.56
.45	.24	Coniaurum	1500	.25	.30	.27	.30
.44	.16	Conkey	4968	.19	.20	.18	.19
.21	.07	Conro	3900	.07	.09	.08½	.08½
.49½	.09	Con. B'keno	10700	.10	.11	.10	.11
.28	.06	C. Beta	500	.06	.06½	.06½	.06½
.27	.05½	C. Bi-Ore	11300	.07	.08	.05½	.08
.53	.15	C. Callinan	29050	.18½	.19½	.18	.19
.18	.05	C. C. Cad	nil		B.05	A.08	.06
25.37½	11.00	C. Denison	48675	12.00	12.37½	11.00	11.62½
17.50	4.10	Do. warr.	22225	500	5.25	4.60	4.80
3.50	2.18	C. Disc'y 1.22	3005	2.40	2.40	2.31	2.40
2.05	.57	C. Fenimore	8039	.70	.67	.37	.57
.50	.15	Do. warr.	nil		B.06	A.09	.15
.11	.06½	C. Gillies	6000	.07	.07	.06½	.06½
.45	.15	C. Gold. Arc.	500	.17	.18	.18	.18
.00½	.00½	C. Goldfield	nil		B.01		.00½
.53	.08	C. Guayana	7000	.08	.13	.08	.08
1.38	.23	C. Hall'well	27591	.38	.39	.35	.36
2.75	1.40	C. Howey	1600	1.80	2.00	1.80	2.00
1.09	.20	C. Marbenor	6500	.28	.28	.24	.25
.31	.15	C. Marcus	1358	.30	.27	.26	.26
.18	.06½	C. Mompas	500	.06½	.08½	.06½	.06½
.82	.20	C. Morrison	10500	.28	.28	.24	.25
.60	.38	C. Mosher	18172	.48	.54	.46	.54
.38	.16	C. Negus	2166	.17	.18	.17	.18
.16	.04½	C. Nich.	4000	.05	.05	.04½	.04½
.35	.30	C. Northland	7200	.50	.37	.30	.37
.22	.08	C. Pershcourt	nil		B.08½	A.12	.08
.95	.45	C. Que. G	nil		B.50	A.75	.50
.22	.05½	C. Que. Y	1000	.06½	.08½	.06½	.06½
.30	.09½	C. Red Pop.	7700	.10	.11	.09½	.09½
1.89	.17	C. Regcourt	87200	.17	.22	.17	.18
.18½	.04	C. San'rm	14500	.05	.05	.04	.04
		Cons. Smelt.					
20.75	17.87½	80+.50	9356	19.25	19.25	18.62½	19.00
2.50	.57	C. Sud'ry	96567	.63	.65	.57	.61
.40	.07	C. Tung.	6287	.09	.09	.08	.08
3.25	2.00	Cont. Min.	12825	3.10	3.15	3.10	3.15
1.20	.65	Cont. Potash	315	1.40	.65	1.25	.65
3.50	2.25	Conwest	1040	2.62	2.35	2.35	2.55
1.23	.20	Copper Cliff	6200	.25	.25	.24	.25
.32	.07	Copper Man.	12300	.10½	.11	.08	.08
3.20	1.21	Cop.-Rand	17605	1.65	1.69	1.57	1.68
1.00	.33	Coulee	5200	.43	.40	.36	.40
.15	.06	Cournor	nil		B.07	A.14	.07
1.70	.80	Cowichan	5250	.85	.88	.80	.88
.15	.03	Crestaurum	nil		B.06½	A.07	.06½
.28	.08	Croinor	6000	.08	.09	.08	.08½
.42	.10	Crowpat	29100	.10½	.11½	.10	.11
		Cryderman	nil		B.00½	A.01	.00½
.36	.05	Cusco	2800	.06	.07	.05½	.05½

D, E, F

.19	.09½	Dablon	nil		B.11	A.16	.13
.55	.14	Daering	nil		B.16	A.18	.17
.47	.10½	D'Aragon	45700	.13	.14	.12	.12
.62	.24	Decoursey B.	18125	.32	.28	.25	.28
.20	.01	Do. warr.	38200	.01	.01½	.01	.01
.34	.12	Deer Horn	500	.13	.13	.13	.13
.17	.07	D'Eldona	7000	.08	.10	.08	.10
3.15	.53	Delnite 1.02	4700	.60	.60	.58	.60
.21	.04	Diadem	50800	.05	.05	.04	.05
.18	.09	Dickstone C.	nil		B.08		.09
.21	.15	Doisan	25750	.27	.27	.25	.26½
		Dome					
34.25	10.87½	10+3.05	1775	11.00	11.25	10.87½	11.25
.37	.09	Donalda	5700	.09	.09½	.09	.09
.10	.02	Doreen	nil		B.03		.04
.73	.11½	Duvan	6400	.13	.12	.12½	.12½
.26	.09	Duvex	26800	.10	.11	.09	.11
.16	.03	East Amph.	2000	.06	.06	.06	.06
1.90	1.10	E. Mal 1.00	58823	1.71	1.90	1.71	1.90
3.25	1.85	East Sull.	5950	2.00	2.10	1.90	2.10
.65	.12	East. Asb.	5500	.20	.17	.12	.12
.50	.08	East. Metals	9700	.08	.10	.08½	.10
4.10	.70	East. Min.	53584	.81	.83	.75	.79
.40	.25	Elder	3400	.30	.30	.30	.30
.37	.13½	Eldrich	1200	.15	.15	.15	.15
.82	.07½	El Sol	136800	.09½	.11½	.09	.10
1.03	.25	Eureka	11454	.33½	.34	.30	.30
.49½	.11	Explor. All.	4000	.15	.16	.16	.16
.29½	.10	Fab. Met.	1000	.10	.10	.10	.10
		Faconbridge					
42.75	21.00	11.00+.30	5671	24.75	25.37½	24.12½	24.87½
.30	.14	Fano	34200	.16	.19	.15	.18
3.20	1.25	Faraday	18182	1.43	1.44	1.31	1.41
1.95	.80	Do. warr.	3765	.88	.65	.56	.60
.41	.08	Farw't Tung.	1000	.09	.09	.09	.09
1.32	.42	Fatima	8300	.50	.82	.50	.82
.24	.05	Federal	4000	.06½	.08	.06½	.06½
.01¼	.00¼	Flin Flon	nil		B.00½	A.01¼	.01¼
10.25	5.00	Florida	5675	8.25	8.10	7.40	7.75
.14	.04	Fontana '45	nil		B.04	A.05	.04
.35	.30	Forty-Four	nil			A.35	.30
.21	.05	Francoeur	11000	.04	.04½	.03½	.04
.36	.25	Friday	8300	.06	.10	.08	.09
3.10	1.15	Frobisher	18320	1.44	1.50	1.40	1.43
61.00	62.50	Do. 4% deb.	nil		B62.50	A71.00	62.50
.22	.07	Fundy Bay	4000	.07½	.08	.07½	.07½

G

.38	.04½	Gaitwin	43800	.05	.05	.04½	.05
1.30	.32	Galkeno	5633	33½	.35	.32	.33
37.50	17.50	Gaspe Cop.	300	20.00	21.00	20.00	21.00

Range 1957 High	Low	Company & Dividend ($)	Sales	Last Nov. 22	Week Ending Nov. 29 High	Low	Close or Latest
18.87½	7.00	Geco	5275	8.65	9.10	8.50	9.10
.42	.12	Genex	nil		B.12	A.14	.13
1.25	.25	Geo-Scient.	7600	.25	.21	.26	.27
.27	.08	Giant Mas. .06	4000	.11	.19	.09	.10
5.80	3.70	Giant Yk. 1.30	2636	4.00	4.05	3.90	3.95
2.30	1.15	Glacier	18223	1.61	1.65	1.40	1.50
.70	.10	Glenn Ur.	2004	.10	.14	.12	.14
.28	.12	Goldaire	1300	.15	.14½	.14½	.14½
.16	.07	Gold Crest	19200	.08	.08	.07	.08½
.19½	.05	Gold Eagle	4300	.06	.06	.06	.06
.04½	.01	Gold Lake	nil		B.00½	A.02	.01¾
.47	.15	Gold. Age	1000	.23	.25	.21	.25
2.10	.35	Gold. Man.	6130	.40	.40	.35	.38
.34	.08½	Goldfields	2000	.09½	.10	.09	.09½
.25½	.06½	Graham R.	4300	.08½	.09	.07½	.08½
11.00	3.75	Granby .25	nil			A3.00	3.75
.28	.11	Grandroy	7500	.25	.28	.24	.25
3.00	1.25	Granduc	2500	1.84	1.85	1.55	1.50
.17	.07	Grandview	200	.07	.07	.07	.07
.02	.02	Great Falls	nil		B.00½	A.02	.03
.67	.18	Greybawk	18300	.24	.23	.20	.20½
.13	.04	Gui-Por Ur.	500	.04	.04	.04	.04
.49	.05	Gulch	1000	.09½	.08	.08	.08
.14	.06	Gulf Lead	4000	.08½	.06	.03½	.06
21.75	10.25	Gunnar G.	11975	14.12½	14.50	13.25	14.12½
14.00	4.50	Do. warr.	6540	6.70	6.70	6.10	6.70
.15	.05	Gwillim L.	19000	.05	.05½	.05	.05

H, I, J

.21	.03½	Haitian	18100	.04	.04	.03½	.03½
3.00	1.70	Hallnor 1.12	nil			A2.25	1.80
.09½	.02	Hamil	1000	.03	.02½	.02½	.02½
.18	.08	Hard Rock	13000	.09	.09½	.08½	.09½
.15	.10½	Harr. Min.	7000	.11	.12	.11	.12
.27	.13	Hasaga	2027	.15	.13½	.12	.13
.17	.05	H'd of Lakes	nil		B.06	A.07½	.06
1.07	.21	Headway	21800	.41	.43	.38	.40
.18	.06	Heath	11000	.07	.07½	.07	.07
12½	.04½	Heva	8209	.05	.05½	.04½	.05
2.00	.82	High-Bell 1.05	2900	1.20	1.25	1.15	1.25
		Hollinger					
36.00	17.50	.24+.48	7928	21.50	22.25	21.00	22.00
7.00	2.80	Hoyle	9853	3.35	3.40	3.25	3.40
		Hudson Bay					
86.50	44.50	14.75+11.15	3624	47.75	48.00	46.00	46.75
.65	.05	Hudson R.	6500	1.04	.06	.05	.05
.46	.18	Hugh-Pam	1000	.18½	.19	.19	.19
.24	.05½	Indian L.	27000	.06	.06½	.05½	.06
.90	.35	Inspiration	1000	.49	.45	.44	.44
.30	.14	Int. Ceramic	8100	.14	.20	.15	.19
		Int. Nickel					
111.00	63.75	2.60+11.15	13857	73.50	74.75	72.00	74.00
.31	.09	Int. Ranwick	3600	.12	.10	.09	.10
2.30	.33	Irish Cop.	5500	.34	.38	.38	.38
5.20	1.40	Iron Bay	1500	1.95	1.99	1.84	1.84
.02	.01	Island Lake	nil		B.00½	A.01	.02
.84	.16	Iso. Uran.	18300	.28	.28	.25	.28
.38	.10	J. Walie	5700	.19	.19	.15	.17
1.35	.50	Jacobus	22375	.67	.80	.60	.77
.13	.02½	Jardun	28100	.02½	.03	.02½	.02½
.96	.16	Jaye	52000	.46	.40	.38	.40
.85	.09	Jeanette	6300	.15	.13	.12	.12
.62	.13	Jelicoe	37500	.15½	.20	.18	.18
.29	.09	Joburke	5100	.12	.12	.10½	.12
.73	.18	Joliet Que.	8000	.23	.24	.22	.22½
.25	.07	Jonsmith	6000	.08	.09	.08	.08
1.05	.32½	R. J. Jowsey	5164	.40	.42	.38	.40

K, L

.18	.04	Kenville	11500	.05	.05½	.05	.05
17.50	12.50	K.-Addison .80	4906	14.75	14.75	14.00	14.00
2.80	.49	Kerr Lake	238530	1.94	2.08	1.87	1.96
3.80	.90	Kilembe	2500	1.10	1.05	1.00	1.05
.58	.22	Do. warr.	25100	.35	.33	.30	.33
.26	.08	Kirk. H. Bay	11200	.06	.07½	.05½	.07
1.34	.48	Kirk. Min.	14970	.87	.90	.83	.86
.22	.13	Kirk. Town.	2000	.14	.14	.13	.14
.23	.05	Kontiki Ld.	3500	.05½	.06	.05½	.06
.03	.01½	Koot. Base	nil				.02
25.00	10.75	Labrador 3.75	4998	15.37½	15.50	14.50	15.50
1.50	.70	Lake Cinch	7200	.83	.86	.80	.83
1.85	.45	L. Dufault	9940	.55	.55	.50	.55
.18	.07	L. Lingman	11300	.07½	.08	.07	.07
.39	.12	L. Osu	5000	.17	.17½	.14½	.14½
8.00	3.75	L. Shore	6950	4.10	4.25	4.00	4.15
.19	.12	L. Wasa	1200	.12	.12½	.12	.12
4.25	2.60	La Luz	900	3.20	3.20	3.20	3.20
2.85	2.07	Lamaque 1.20	650	2.15	2.30	2.07	2.25
1.53	.73	Leitch G. 1.06	8500	1.00	1.02	.98	1.00
.17	.08	Lencourt	1000	.07½	.07½	.07	.07
.42	.04	Lexindin	55100	.05	.05	.04½	.05
13½	.03½	Lingside	10300	.04	.06	.04½	.06
.60	.13	Lithium	nil		.21	.21	.18
3.50	1.30	Little L.L.	17700	1.42	1.62	1.44	1.57
13½	.03½	Lomega	12000	.06	.06	.04½	.05
1.70	.63	Lorado Ur.	63750	.63	.70	.63	.64
1.49	.35	Do. warr.	5300	.40	.40	.35	.38
2.07	.60	Louvieourt	1500	.07½	.07½	.07½	.07½
.80	.15	Lyndhurst	1505	.15	.15	.15	.15
.11	.05½	Lynx Yk.	1000	.05½	.05½	.05½	.05½

M

2.34	1.72	Macassa .12	8577	2.30	2.34	2.27	2.27
.63	.26	MacDonald	8963	.30	.30½	.27	.27
.18	.05	Matfie	7500	.07	.07½	.05	.05
1.34	.91	Macleod 1.10	60450	.96	.96	.91	.91
		Madsen R.L.					
2.05	1.35	1.10+1.10	13850	1.75	1.76	1.65	1.67
11½	.04	Magnet	3500	.05	.05	.04½	.04½
.11	.03½	Majortrans	9000	.04½	.04	.03½	.04
1.65	1.15	Malartic 1.05	11750	1.17	1.20	1.15	1.15
.34	.10	Maneast Ur.	35000	.10½	.12	.10	.11½
.62	.19	Maralgo	76050	.43	.45	.38	.44
.15	.03	Marcon	4500	.06	.06	.05	.06
2.10	.52	Maritimes	146632	.68	.86	.59	.61
.81	.25	Marpic	36800	.81	.81	.77	.79
.21	.09	Martic McN.	3500	.10	.09½	.09½	.09½
		Massberyle	nil				.25
.60	.40	Matachewan	10600	.60	.50	.50	.50
.89	.13	Maybrun	9900	.19	.19	.16	.16
		McIntyre					
116.00	66.50	2.60+11.00	145	70.75	73.00	70.00	73.00
.30	.13½	McK. R.L.	nil		B.13½	A.15	.14
.26	.06½	McMarmac	2500	.07	.07½	.07	.07
.53	.13½	McWatters	22000	.18	.16½	.15½	.15½
.45	.10	Mentor Exp.	6800	.10	.11½	.11	.11½
.55	.10	Mercedes	4000	.10	.10	.10	.10
2.08	.55	Merrill Is.	16100	.87	.86	.78	.81
.24½	.07	Meta Ur.	6700	.08	.09	.07	.09
1.92	.40	Mid-Chib.	8210	.45	.49	.40	.48
1.70	.60	Midrim	14000	.76	.80	.75	.75
.63	.08	Midwest	2000	.12	.11	.11	.11
4.45	1.61	Milliken L.	36360	2.05	2.10	1.85	2.02
.17	.05½	Mindamar	10200	.09½	.10	.07	.10
21.25	10.00	Mng. Corp 1.75	5330	11.00	11.00	10.50	10.75
.45	.09	Min. End.	241160	.13	.15½	.12½	.14½
.30	.06	Min. Ore	2000	.07½	.08	.07½	.07½
.65	.10	Mogador	1100	.10	.15	.13	.15
2.05	.35	Mogul	12280	.50	.50	.47	.50
1.75	.80	Molyb'nite	nil		B.80	A.95	.80
1.09	.82	Moneta .05	2500	.70	.68	.63	.63
1.03	.15	Monpre	3300	.43	.45	.42	.44
2.65	.50	Montgary	27300	.80	.93	.82	.92
1.16	.40	Multi-Min	4700	.54	.55	.52	.55

N

.84	.18	Nama Cr.	112150	.30	.33	.27	.32
.63	.17	Nat. Ex.	12200	.19	.20	.18	.19
.28	.04	Nealon	14700	.05	.06	.04	.06
.46	.13½	Nello Min.	1000	.15	.13½	.13½	.13½
1.90	.20	Nesbitt	15750	.38	.37	.30	.35
.23	.05	N. Aiger	13500	.07½	.07½	.05½	.06
.67	.15	N. Athona	17568	.18	.22	.20	.20
.12½	.04	N. Bidi'e	1500	.05	.04½	.04½	.04½
.36	.18	N. Calumet	1000	.18½	.18½	.18	.18½
.35	.10	N. Cronin	100	.10	.15	.15	.15
1.29	.30	N. Delhi	131100	.44	.43	.36	.42
2.10	1.22	N. Dick'n 1.10	3740	1.98	1.99	1.94	1.96
.62	.07	N. Formaque	5500	.09	.09½	.08½	.09
.24	.07½	N. Fortune	42800	.08½	.10	.

DIVIDEND NOTICES

dividend notice

Notice is hereby given that a Dividend at the rate of 35 cents per fully paid share in the Capital Stock of the Bank has been declared for the quarter ending January 31st, 1958, payable at the Head Office and Branches of the Bank on and after February 1st, 1958 to shareholders of record at the close of business on December 31st, 1957.

By Order of the Board.
Toronto, November 21, 1957.

A. T. Lambert
General Manager

GO-4772

THE TORONTO-DOMINION BANK
THE BANK THAT LOOKS AHEAD

GALT MALLEABLE IRON LIMITED
GALT ONTARIO

Notice is hereby given that a dividend of $1.50 per share on the First Preference Shares of the Company, also a dividend of $1.57 per share on the Second Preference Shares of the Company, have been declared payable January 1, 1958, to shareholders of record at the close of business on the 14th day of December, 1957.

By order of the Board,
N. W. ZINN,
Secretary.

Galt, Ontario,
November 27, 1957.

CHARTERED TRUST COMPANY

156th DIVIDEND

A quarterly dividend of 35c per share has been declared payable on the 2nd day of January, 1958 to shareholders of record at the close of business on the 13th day of December, 1957.

H. G. Soward,
F.C.I.S.,
Secretary.

Toronto,
November 19th,
1957.

INTERNATIONAL PAINTS (CANADA) LIMITED

DIVIDEND NOTICE

A half-yearly Dividend of 3% for the Six Months ended September 30th, 1957, has been declared on the 6% Cumulative participating Preferred Stock of the Company, payable on January 14th, 1958, to Shareholders of record at the close of business on December 13th, 1957.

By order of the Board
D. R. W. McKEAN,
Secretary-Treasurer

Montreal, November 28th, 1957.

THE SHERWIN-WILLIAMS COMPANY of Canada, Limited

Notice is hereby given that the one hundred and eighty-sixth quarterly dividend of one and three-quarters per cent. (1¾%), being at the rate of seven per cent. (7%) per annum, for the quarter ending November 30th, 1957, on the Preference Shares of the Company, has been declared payable January 2nd, 1958, to shareholders of record the 10th day of December, 1957.

By Order of the Board.

P. W. HOLLINGWORTH
Vice-President & Secretary-Treasurer

Montreal, Quebec.
November 7th, 1957.

THE BELL TELEPHONE COMPANY OF CANADA

NOTICE OF 295th DIVIDEND

A quarterly dividend of fifty cents per share has been declared payable on the 15th day of January, 1958 to shareholders of record at the close of business on the 13th day of December, 1957.

Montreal, Nov. 27, 1957.

S. C. SCADDING,
Secretary

THE ONTARIO LOAN AND DEBENTURE COMPANY

282nd DIVIDEND

Notice is hereby given that a Quarterly Dividend of 25c per share on the present paid-up Capital Stock of this Company for the three months ending 31st December 1957 has been declared and the same will be paid on or after the 2nd January 1958 to Shareholders of record at the close of business on the 13th December 1957.

By Order of the Board.
F. E. A. McKELLAR,
Manager.

London, Ontario.
November 26, 1957.

THE SHAWINIGAN WATER AND POWER COMPANY

NOTICE is hereby given that the following dividends have been declared:

No par value common shares
Dividend Number 202

A dividend of seventeen cents (17c) per share for the quarter ending December 31, 1957, payable February 25, 1958, to shareholders of record January 15, 1958.

No par Value Class "A" Common Shares
Dividend Number 4

A dividend of thirty-three and one third cents (33⅓c) per share payable February 15, 1958, to shareholders of record January 17, 1958.

By Order of the Board.
R. R. MERIFIELD,
Secretary.

Montreal, November 25, 1957.

POWER CORPORATION OF CANADA LIMITED

At a Directors' Meeting of Power Corporation of Canada Limited held on November 22, 1957, the following dividends were declared:

Dividend of 1¼% (56 cents per share) on the 4½% redeemable First Preferred Shares for the quarter ending January 15, 1958 payable January 15, 1958 to shareholders of record at the close of business on December 20, 1957;

Dividend of 1¼% (75 cents per share) on the 6% non-cumulative participating preferred shares for the quarter ending December 31, 1957, payable January 15, 1958, to shareholders of record at the close of business on December 21, 1957.

Dividend of 50 cents per share on the no par value Common Shares for the quarter ending December 31, 1957, payable December 31, 1957 to shareholders of record at the close of business on December 5, 1957.

W. G. R. LANNAMAN,
Secretary.

Montreal, November 22, 1957.

CANADA PERMANENT MORTGAGE CORPORATION

Notice is hereby given that a Dividend of Ninety Cents per share on the paid-up Capital Stock of the Corporation for the current quarter has been declared, the same to be payable Thursday, the 2nd day of January next, to shareholders of record at the close of business on the 13th day of December, 1957.

By Order of the Board.

GEO. D. LAVEROCK,
Secretary.

Toronto, November 13th, 1957.

WESTERN GROCERS LIMITED

NOTICE OF DIVIDENDS

Notice is hereby given that the following dividends have been declared payable January 15th, 1958, to shareholders of record December 13th, 1957:

Thirty-five cents per share on the Preferred Shares $20 par $1.40 Series;

Fifty Cents per share on the Class A Shares;

One Dollar per share on the Common Shares.

H. L. JORDAN,
Secretary.

Winnipeg, Man.,
November 29, 1957.

McCOLL-FRONTENAC OIL COMPANY LIMITED

PREFERRED STOCK DIVIDEND NO. 46

NOTICE IS HEREBY GIVEN that a Dividend of $1.00 per share, being at the rate of 4 per cent per annum, has been declared on the 4% Cumulative Preferred Stock of McColl-Frontenac Oil Company Limited for the quarter ending December 31, 1957, payable January 20, 1958, to shareholders of record at the close of business on December 31, 1957.

By Order of the Board,
FRED HUNT, F.C.I.S.,
Secretary.

Penmans

DIVIDEND NOTICE

NOTICE is hereby given that the following Dividends have been declared for the quarter ending on the 31st day of January, 1958.

On the Preferred Stock, one and one-half per cent (1½) payable on the 3rd day of February to Shareholders of record of the 2nd day of January, 1958.

On the Common Stock, forty-five cents (45c) per share, payable on the 17th day of February to Shareholders of record of the 15th day of January, 1958.

By Order of the Board.
L. P. ROBERTON,
Secretary-Treasurer.

MONTREAL,
November 27, 1957.

MERSEY PAPER COMPANY LIMITED

DIVIDEND NO. 5
PREFERRED SHARES

NOTICE IS HEREBY GIVEN THAT a quarterly dividend of sixty-eight and three quarters cents (68¾c) per share has been declared on the outstanding 5½% Cumulative Redeemable Preferred Stock of the Company payable on the 1st day of January 1958 to holders of record of the said shares as at the close of business on the 29th day of November 1957.

By Order of the Board,
J. A. PARKER,
Secretary

Liverpool, Nova Scotia.
November 19th, 1957.

THE B. GREENING WIRE COMPANY LIMITED

COMMON DIVIDEND NO. 82

NOTICE IS HEREBY GIVEN THAT at a meeting of the Directors of The B. Greening Wire Company, Limited, held in Hamilton on November 28th, 1957, a dividend of Five Cents per share on the Common Shares of the Company was declared payable January 2nd, 1958, to shareholders of record December 14th, 1957.

By Order of the Board,
A. M. DOUDA,
Secretary.

Hamilton, Ontario.
November 29th, 1957.

DOMINION CORSET COMPANY LIMITED

DIVIDEND NOTICE

NOTICE is hereby given that the regular quarterly dividend of twenty-five cents (25c) per Share has been declared for the quarter ending December 31, 1957, on the outstanding Common Stock of this Company, payable January 3, 1958 to Shareholders of record December 16, 1957.

By Order of the Board,
MAURICE GODBOUT, C.A.,
Secretary-Treasurer.

SOUTHERN CANADA POWER COMPANY, LIMITED

The Board of Directors has declared the following dividends:

6% Cumulative Participating Preferred Stock

No. 152, Quarterly, $1.50 per share, payable January 15th, 1958 to holders of record at the close of business December 20th, 1957.

No par value Common Stock

No. 131, Quarterly, 62½¢ per share, payable February 15th, 1958 to holders of record at the close of business on January 20th, 1958.

V. J. NIXON,
Secretary.

Montreal, November 22nd, 1957.

NOTICE OF DIVIDEND

JOHN LABATT LIMITED

Notice is hereby given that Dividend No. 52 of thirty cents per share has been declared on the outstanding common shares without nominal or par value of the Company, payable on January 1, 1958, to shareholders of record at the close of business on December 13, 1957.

By Order of the Board:
ALEX S. GRAYDON,
Secretary.

London, Ontario,
November 25, 1957.

DOMINION GLASS COMPANY LIMITED

Notice is hereby given that a dividend of one and three-quarters per cent (1¾%) has been declared on the PREFERRED STOCK of the Company for the quarter ending the 31st day of December, 1957.

Notice is also hereby given that a dividend of Fifty Cents (50c) per share has been declared on the COMMON STOCK of the Company for the quarter ending the 31st day of December 1957.

The above dividends will be paid on Wednesday, the 15th day of January 1958, to shareholders of record at the close of business Friday, the 27th day of December 1957.

By order of the Board.
T. B. KING,
Secretary.

Montreal, 27th November, 1957.

DOMINION

DIVIDEND No. 103

Notice is hereby given that a dividend of thirty-one and one quarter (31¼) cents per share has been declared on the outstanding common shares of Dominion Stores Limited payable December 14, 1957, to shareholders of record at the close of business on November 15, 1957.

By Order of the Board
N. H. SHAW
Secretary

Dated at Toronto, Oct. 22, 1957.

MacMILLAN & BLOEDEL LIMITED

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that dividends in the respective amounts per share set out below, have been declared payable December 31st, 1957, to shareholders of record at the close of business December 10th, 1957, on the following outstanding shares of:

MacMILLAN & BLOEDEL LIMITED
Dividend No. 42
Class "A" — 12½c per share
Dividend No. 46
Class "B" — 20c per share

The Transfer Books will not be closed.

Dated at Vancouver, B.C., this 26th day of November, 1957.

By order of the Board,
G. D. ECCOTT,
Secretary.

STANDARD PAVING & MATERIALS LIMITED

DIVIDEND NOTICE

Notice is hereby given that a quarterly dividend of 37½c per share has been declared payable on January 2nd, 1958, to shareholders of record at the close of business on December 13th, 1957.

JAMES CARNWATH,
Secretary.

Toronto, Ontario.
November 29th, 1957.

FOUNDATION COMPANIES, CANADA
Engineering - Construction

DIVIDEND NOTICE

Notice is hereby given that a Dividend of twenty-five cents ($0.25) per share for the quarter ending December 31, 1957, has been declared on the No Par Value Common Shares of The Foundation Company of Canada Limited, payable January 17, 1958, to Shareholders of record at the close of business on December 27, 1957.

By Order of the Board.
E. T. GREARSON,
Secretary.

Montreal, Quebec.
November 28, 1957.

ROYALITE OIL COMPANY, LIMITED

PREFERRED STOCK DIVIDEND No. 13

NOTICE is hereby given that a Dividend of 32.8125 cents per share has been declared on all the outstanding 5¼% First Series Preferred Shares of the Company, payable January 1st, 1958, to shareholders of record at the close of business on December 11th, 1957.

By Order of the Board
K. S. C. MULHALL,
Secretary Treasurer.

Calgary, Alberta.
November 22nd, 1957.

QUEBEC POWER COMPANY

Dividend No. 133

NOTICE IS HEREBY GIVEN that a dividend of thirty-five cents (35c) per share has been declared on the no par value common shares of the Company for the quarter ending December 31, 1957 payable February 25, 1958 to shareholders of record January 15, 1958.

By Order of the Board.
R. R. MERIFIELD,
Secretary.

Montreal, November 26, 1957.

NOTICES

THE TORONTO-DOMINION BANK

Notice of Annual General Meeting

The Annual General Meeting of the Shareholders of this Bank will be held at the Head Office of the Bank, King and Bay Streets, Toronto, on Wednesday, the 11th day of December, 1957, at 11.00 a.m.

By Order of the Board,
A. T. LAMBERT,
General Manager.

Toronto, 10th October, 1957.

TRANS-CANADA CORPORATION FUND
CORPORATION DE VALEURS TRANS-CANADA

NOTICE OF ANNUAL MEETING

Notice is hereby given that the Annual General Meeting of the Shareholders of TRANS-CANADA CORPORATION FUND-CORPORATION DE VALEURS TRANS-CANADA will be held at the head office of the Company, 31 St. James St. West room 102, Montreal, P.Q., on Wednesday the eleventh day of December, 1957, at the hour of 3:30 in the afternoon, to receive and consider the balance sheet of the company as at September 30th, 1957, and the statements of income and expenses for the same year, and the report of the auditors thereon; to elect directors and to appoint auditors and to transact such further and other business as may properly come before such meeting.

ANDRE CHARRON,
Secretary.

RB/mb
28/11/57

ANNUAL MEETING NOTICE

THE CANADIAN BANK OF COMMERCE

The annual meeting of the shareholders of this Bank, for the election of Directors and for other business, will be held at its Head Office, 25 King Street West, Toronto, on Tuesday, the 10th day of December next.

The chair will be taken at eleven o'clock a.m., Eastern Standard time.

By order of the Board,

J. P. R. WADSWORTH
General Manager

Toronto, September 20, 1957

THE ROYAL BANK OF CANADA

ANNUAL MEETING

The Annual General Meeting of the Shareholders of the Bank will be held at the Head Office, 360 St. James Street West, in the City of Montreal, on Thursday, the 9th day of January, 1958, at 11 o'clock, a.m.

By Order of the Board,
K. M. SEDGEWICK,
General Manager.

Montreal, Que.,
December 2, 1957.

BRITISH COLUMBIA FOREST PRODUCTS LIMITED

NOTICE
of
TWELFTH ANNUAL GENERAL MEETING OF SHAREHOLDERS

995 West Sixth Avenue,
Vancouver 9, B.C.

To the Shareholders of
British Columbia Forest Products Limited:

NOTICE IS HEREBY GIVEN that the Twelfth Annual General Meeting of the shareholders of the above-named Company will be held at Salon "A", Hotel Vancouver, 900 West Georgia Street, Vancouver, British Columbia, on Thursday, the 19th day of December, 1957, at the hour of 12 o'clock noon (Vancouver time) for the purpose of electing a Board of Directors for the ensuing year, considering the accounts and balance sheet, receiving the reports of the directors and auditors, conferring a general authority to take or acquire by purchase or otherwise any shares in any other corporation (which authority shall expire at the next general meeting of the shareholders of the Company unless it is continued by ordinary resolution passed thereat) and transacting such other business as may properly be brought before the meeting.

DATED at Vancouver, British Columbia, this 28th day of November, 1957.

BY ORDER OF THE BOARD,
A. G. RANKIN,
Secretary.

Market Bid and Ask Quotations

Dec. 3, 1957
Montreal & Toronto

	Bid	Ask
Abitibi	26¾	27¼
Do p	22½	23
An-Aft	8½	9
Do A	18½	18¾
Do p	82	89
xAcad U	7	8
xAcme	14	16
Admi	8½	8¾
xAdvoc	310	325
Ag-S	8¾	8¾
Do p	8½	9¼
xAjax	48	52
xAkaltc	31	33
xAlba	5	5¼
xAlta D	120	140
Do vt	115	120
xAP Con	36	38
Alcom	15	16
Do vt	14	19
Do deb	94½	95
Do w	615	650
Algma	242	254
Alumi	29½	30
Alu 1p	22½	22¾
Do 2p	45	45¼
xA-Lar	11	11¼
xA Rare	60	64
xAm L	16	17
xA Nep	75	85
xAmur	260	300
xAnac	48	50
xAnalog	230	245
xAnch	14	17
Ang-Am	10¾	11¼
Ang-C Tel	37¼	..
A Pip p	47¼	48
Ang Hi	860	900
xAng R	29¼	30
xAnsl	15¼	23
Anthes	20	20¾
xApex	5	5¼
xArcad	30	32
Do w	17	19¼
xArcan	27	28
xArea	60	67
Argus	14¼	14¾
Do 240p	41¼	42
Do 250p	37¼	39¾
xArjon	7	8
Ash R	11	12
xAsh T	250	300
Do A	..	91
Do B	..	8¼
A Art	7¼	7¾
Do d	85	88
Do wts	405	425
Ati A	6	6
Ati A p	14	18
Atlas S	17	17¼
xAt Yk	6	8
xAt-Ruf	24	24½
xAubel	7	9
xAumac	17	18
xAumaq	7	7¼
xAuner	184	188
Aut Ei	13	13¼
Do A	..	11
Aut F A	300	350
Do B	100	150
xAvilla	5¼	6¼
xBly SA	835	845
Do p	23½	23¾
Do 5½%	21¼	21¾
xBanff	183	195
xBnkno	13	16
xBnkfld	6	7
Bk Mtl	41¼	41¾
Bk NS	52	53¼
Banq Can	34¾	35¼
xBrcina	325	800
xBarnat	18	20
xBarvu	16	18
xBary E	47	50
xBase M	25	29
xBaska	13	13½
xBata	6	7
Ba In	8¼	15
Bath A	42	43¼
Do B	19½	21
xB-Duq	20	22
Beatty	295	450
xBeauc	60	75
xBeav L	13	15
B Lum	17	19
Do A	17	18
Do pr	24½	25
xBelch	144	145
Bell	39¾	40
xBellet	150	160
xBthlm	80	85
xBeven	12	13
xBibis	4¾	5
xBierft	78	80
Do w	35	40
xBldcop	8¼	9
Bilt	6¾	7¼
Do p	10	10¼
xBl Bay	27	29

	Bid	Ask
Bl Rib	12	15
Do p	..	35
xBonvill	4¾	5
xBordul	7	8
xBousc	8¼	10
xBouzn	49	51
xBowat	370	395
Do p	41	42
Do 5½%p	43	44½
Bowes	..	172
xBoymr	8¼	9
xBrlrn	440	450
xBrnlsa	80	85
Br C A	15	17¼
Do B	12	12
Brazil	6¼	6¾
Do p	..	89
Br T	15½	16¼
Do p	46¼	47
Do w	525	590
Bright	16¼	16¾
Do p	16¼	21
xBritalt	150	155
BA Oil	38¼	38¾
BCE 4½p	78	79
Do 4½p	39½	40
Do 4½p	42	42¼
Do 4½p	86	87
Do 5%p	..	46
BC For	8¼	8¾
BC P A	12	13½
Do B	12	12½
BC Pow	39½	40
BC Phone	37½	38¼
xBr Reef	60	61
Brown	101	102
Bruck A	475	650
Do B	..	350
xBrnhrst	5¼	6
xBrnsmn	6¼	7
xBrnsk	350	395
xBufad	5	5¼
xBuf A	73	80
xBuf RL	5¼	6
Bld Prd	33¼	..
Bull A	400	575
Do B	5¼	6
xBunk H	6	7¼
xBurch	18	20
Burlton	12½	13
Burns	10¼	10½
Burr A	6¼	6¾
xCbnga	44	64
xCable	17	20
xCalait	55	60
Cald I p	21¼	23¼
Cal Ed	22	22½
Cal Pow	65¼	66¼
Do 5%p	98	100
xCalv C	400	425
xC Chib	525	535
xC Red L	465	490
xC Bd	300	300
C B B	42	53
C Cem	22½	23
Do p	26¼	27¼
CC St	6	7¼
C Foil	15	17¼
Do A	17	18
C Fnd A	25	26
C Fnd	11	13¼
Cl Fnd	26½	28
Do 41%	95	98
C Life	120	134
C Mach	8¼	..
C Malt	48	51
Do p	23	26
xC O Lds	182	190
Do w	85	92
C P A	33¼	35½
Do B	32¼	33
C Perm	76	80
C Saf 4p	85	87
xCSO w	85	110
CS Pet	410	420
CSL	31½	32
Do p	10¼	11
C Wre B	13¾	14¼
xC Ast	7	8
xC All O	480	495
C Baks	5¼	5¾
C Bnk C	43½	44
C Br	24½	25
Do p	25¼	25½
CB Al	10¼	10½
xC B Em	45	53
C Can A	13½	13¾
C Cel	13¾	14¼
C C $1	15½	20
Do $175	28¼	29½
C Chem	490	5¼
xC Chief	112	113
C Coll	435	450
Do p	65	70
C Conver	350	400
Do B	400	..
xC D w	26	29
xC Dev	535	540

	Bid	Ask
C Drn S	8	8¼
Do p	9	9½
C Dredg	15¼	16
xC Dyno	37	39
xC E Gas	450	455
C Fbks	16	16
Do p	110	Do
xCF Pr	250	275
Do A	7	8
Do p	38	40
CGE	550	1060
CG S A	14¼	15¼
Do B	..	17
xC High	36	40
xC Home	205	219
C Hsky	12½	12¾
Do w	490	500
C Hyd C	7¾	8
C I Ma	6	6
Do A	10	13
C Loco	..	15
xC Mal	20¼	21
xC N In	17	20
C Oil	27¼	28
Do p	150	160
Do 4%	80	88
Do 5%	97	100¼
Do w33	11	13
Do w35	550	575
CPR	229	232
C Pet p	15¼	16
xC Pros	170	175
C Salt	24¼	24½
xC Thor	5¼	6
C Tire	83½	89½
C Tk p	93	96
Do 4½%	72½	78
C Vick	22	23½
C Wal A	15	20
Do B	15	18
CWN p	16	16
xC Wil	100	150
xCndsa	15	25
xCanam	12	15
xCandor	15	17
xCanEr	23	24
xC Met	185	188
Do w	92	99
xCan N	111	120
xCan Oil	121	130
xCapt	9	12
xCarib	47	50
xCass	600	610
xCastle	315	320
xCayzr	410	445
C C I	25	..
Do p	93	100
xC Del	700	705
xC Expl	173	..
xC Pet	71	74
xC Pore	7	8
xChar O	190	200
Chart Tr	45	57
C-Gal	15	17
xChesk	8	9
xChest	16	17
xChib J	40	42
xChib-K	12	13
xChi M	76	80
xChim	46	49
xChrm	240	250
Chrys	64¼	65¼
xC Bar	150	200
Do A	400	700
xCobalt	12	15
xCoch W	168	170
Co-D	18	21
Do A	13	13¾
Cshutt	8¼	8¾
xCody-R	21½	22
Cogh C L	..	15
xCoin L	12	12¾
xCistm	46	47
Coll	13	..
xColom	3	6
Com E	10¼	10¾
xCmoil	..	225
xCom P	210	225
Conduit	9	9½
Conf L	85	98
xConia	55	59
xCniaur	27	30
xCKev	20	23
xConro	7	8¼
xC Alt	7	8
C Bak	7	7¼
xC Bell	9¼	11
xC B G	6	8
xC Call	20	21
xC C C	5¼	8
xC Cord	12½	15
C Den	10¼	10¾
Do w	443	455
xC Disc	235	240
xC Dra	24½	25
xC E Cr	30	38
xC Fen	51	60
Do w	5	8
C Fire	300	350
xC Gill	6	7
xCG Ar	17	20
xC Guy	9	9½
xC Hall	33¼	35
xC Hwy	180	190
xC Mrbn	25	28
xC Mrss	26	33
xC M M	245	250
C M S	18½	18¾
xC Morr	24	25
xC Mos	53	54
xC Neg	17¼	23
xC Nich	4¼	5¼
xC Nor	30	37
xC Pk	6	7
xC Pers	9¼	12
Do A	..	8
Do B	..	300
xC Que	50	75
xC Red P	10	13
xC Reg	17	18¼
xC San	5	5¼
xC Sud	55	56
C Textile	250	300
xC Tung	8	9
xC W P	515	525
C Gas	30½	30¾
Do A	104	104¼
C Glass	23	24½
Con C	40½	40¾
xCnwst	250	275
xCop Cl	5	5¼
xC Cor	24	26¼
xCop-M	8¼	9
xCprnd	163	164
Corb vt	16¼	17
Corb B	16	16¼
Csmos	10½	11
xCoulee	38	42
xCourn	7	9
xCowic	..	150
xCraig	290	325
xCree O	410	425
Do w	241	243
xCrst	6¼	7
xCrsbk	160	175
Do p	..	28
Do w	80	125
xCroi	8	9
Cr Cork	..	48¼
Cr Tr	18	19½
Cr Zell	44½	45¼
xCrowp	10	11½
Crow	15¾	17
xCusco	6	7
xDaer	17	27
Diex p	88	95
xD'Ars	12	14
Dav A	7¼	7¾
Do B	250	325
xDe C	28	32
Do w	..	01
xDeer H	13	14
xD'Eld	9	9¼
xDelt	52	59
xDev P	122	127
xDiadm	4	5
D Seag	26½	27
xD Exp	920	940
Dome	10¼	11¼
D'Ang	410	..
Do p	88¼	..
D Coal p	8	8
D Brge	21¼	22¼
D Cors C	11	14¼
D Dair	400	..
Do p	17	18
D Elec	8	10¼
D Fab	10	10¼
Do 2p	..	23
D Fdry	25½	26
D Fn p	96½	97¼
D Ins	166	..
D Mag	10	10¼
D Scot	19	24½
D Sc p	40	..
D St o	18½	18¾
D Stry	49¼	49½
D Tar	10¼	10½
Do p	18	18
D Tex	8	8¼
xD Wi	50	75
xDonal	8	9
D Rop B	12	12¾
xD M	60	65
Donoh Br	11¼	12
Dow	30	30
xDuvan	11	13
xDuvex	9	10
xE Ans	6	6¼
E Koot	6¼	..
xE Mal	175	182
xE Sull	195	205
xE Asb	13	17
xE Met	9	9½
xE Min	73	76
xEast St	50	55
Easy	8¼	10
Do p	13½	15
Econ I	31½	33
Eddy	37¼	41
Do A	38	39
Ed Ma	24	24
xElder	30	32
xEldr	15	17
xElectr C	98	..
Electrolux	9½	10
xEl Sol	10	11
Em Life	37	50
Ena & H	110	..
Eq Life	40¼	41
Erie A	410	600
xErie B	250	..
Estbks p	17	18½
xEurka	30	32
xExcls	43	46
xEx All	16	18
Falcon	24	24½
Fam Pla	15	15¼
Fan F	17¼	18
xFrdy	130	131
Do w	45	57
xFargo	525	530
xFwest	10	10¼
Fed Gr	25¼	26¼
Do p	25¼	27
xF Kirk	6	7¼
xFibre	..	350
Do p	..	230
Fitting	485	..

	Bid	Ask
Do A	7¼	10
Fl F p	15	..
xFleet	25	40
xFla C	720	730
Ford US	39¼	39½
Ford A	73	73½
Do B	79	100
Found	17	17¼
xFrnc	5¼	7
Fraser	23	24
Frei p	..	90
Fr P pr	94	94
xFrbshr	140	145
Do db	65	71
Frue	6¼	7
xGaitw	4¼	5
Gilcno	31	33¼
Gatin	28½	28¾
Do 5%p	101	102
xGeco	840	865
G Bak	5¼	5¾
G Dyn	57¼	58
G Elec	62	62¾
xGMC	54¼	54¾
xGen P	315	330
Do A	310	325
GP M A	30	33
GSW	5¼	6
Do p	70	75½
xGenex	12	13
xGeo Sc	28	30
xGt Mas	10	14
xGiant	400	405
xGlacier	150	152
xGlenn	12¼	13
xGldale	13	18
xGldcr	8¼	9
xGold E	5	6
xGold M	37	39
xGF Ur	8	12
Gdy	146	150
Do p	45	46½
G Mac A	6	7
Do B	5¼	5¾
Gdn A	..	131
xG Bous	7	9
Granby	490	500
Gr Toy	39¼	44¼
xGrdroy	24	29
xGduc	150	155
GL P	28½	29¼
GL Pow	17¼	18
Do p	22	24
GN G	6¼	6¾
Do p	..	36
Do 280p	33½	40
Do w	300	340
Do B w	230	250
Gr Pins	18¼	19
GW C A	6	6¾
Do B	490	500
Gr W	..	19
xGrning	435	475
xGryhk	20	21
xGridoil	330	1250
Guar T	20¼	20½
xGulch	8	9¼
xGulf L	6	7
Gunn	13¾	14
Do w	625	630
xGurney	250	250
Do p	7¼	8
xGwilm	5	5¾
Gyp	26	26¾
Hahn	15	21
Do A	11	15
xHalinr	..	225
H Cot	14	14
Do p	75	94
H Carp	6¾	6¾
xHd Rck	9¼	10
xHar-M	11	..
Hartz A	7¼	9
xHasaga	13¼	13
xH of L	6	7¼
xHdway	40	41
xHeath	6	7¼
xHees	250	300
Hendsh	5	5½
Do p	..	86
xHeva	4½	5
xHigh-B	117	125
xHighw	21	23
H D	40	41
Hi-T	5¾	7¼
xHold A	150	200
Do B	..	200
Holling	22½	22¾
Holt Ren	45	..
Do 1stp	92½	99
Do 2ndp	80	..
Ho O A	15¼	15¾
Do B	15¼	15¾
H Smit	26	26¼
Do p	40	41
xHoyle	325	340
Hud B	46¼	47
HB O G	16¼	16¾
xH-Pam	19	20
Hu O A	14¼	14½
Do B	12¼	..
Do p	23¼	..
xHum O	77	82
Hur Er	32½	33¾
Imp B	43¾	45
I Flo	26	27
Do p	..	27
I In A	14¼	15
Imp L	49	51
Imp O	42½	43¼
I Tob	12¼	12½
Do p	5¼	5½
xInd L	8	6¾
I Acc

ARE YOU LOCKED IN?

An Open Letter On Canadian Stocks

OIL: "Your analysis of the oil situation prompted me to sell **FARGO** at $7.05 and **WEST MAYGILL** at $2.40. I bought these two on your earlier recommendations and made good profits in both. I like your policy of telling me exactly what stocks to buy, how much to pay, and when to sell."

URANIUM: "In September, when the better uraniums were rising, I was a little skeptical when you said the group was headed downhill and advised the taking of short term and medium term profits. However, I followed your advice and consequently moved out for good gains in **CAN-MET** before it fell to below $2 from over $3.50. I had the same kind of good fortune with **CONSOLIDATED DENISON**, selling at $18 before the drop to $12."

GOLD: "I'm one of your newer readers but have already taken 50% short term profits in **EAST MALARTIC** (purchased at $1.20) and **MADSEN RED LAKE** (purchased at $1.35) by following your buy and sell advice in the weekly bulletins. Your explaining why a certain move should be made is a real help to a person not completely familiar with Canadian stocks."

BASE METALS: "Back in June, when you said **INTERNATIONAL NICKEL** could be headed for distribution, and to watch for profit taking opportunities in the base metals, I had my doubts. Still, I moved out at $97—before the drop to below $65—and also sold some of the other stocks. Your constant reappraisal of the metal situation, along with the weekly recommendations, put me back into some of these issues before they began their recent climbs. The way you give the complete story on the stocks you talk about is appreciated."

INDUSTRIALS: "I followed your suggestion made in September and bought **A. V. ROE** at $11 and recently sold for over $14 for quick 30% gains. Also purchased **CONSUMERS' GAS** at your recommended $28 and sold at $40 when you said take profits in the issue. I don't know how you keep up on these stocks, but do want you to know your weekly reports and advice have kept me well ahead of the market."

All over the world, traders, speculators, and investors interested in Canadian stocks are reading The Canadian Forecaster every week — getting the up-to-date information that keeps them ahead of the market — helps them make the right decisions.

If you are not completely satisfied with your success in Canadian stocks, possibly you need our 8-page weekly bulletin which can keep you posted on economic, political, investment and speculative trends; give you late and significant news on developments in mining, oil, and industry; explain in easy to understand language how these trends and developments will affect you, the market, and individual stocks — from your profit and loss standpoint . . . plus suggesting exactly what stocks to buy, when to sell, and why.

PERSONAL GUIDANCE: In addition to receiving The Canadian Forecaster, which has enabled them to make consistent cash gains in Canadian stocks and establish positions for the activity that lies ahead, clients also get individual help with their problem stocks — the ones that have, or might possibly — cost them money. This is a complimentary service to subscribers, offering detailed analysis plus frank opinions on future trading prospects of any Canadian stocks.

For a $5 trial subscription, we believe we can show you over a 60-day period how The Canadian Forecaster can help you. Our annual fee is $35. Address The Canadian Forecaster, 231 Examiner Building, Calgary, Alberta, Canada. If you wish, you may include a list of your "problem" stocks for analysis and opinion on their future trading prospects.

Taking Stock

What's going on in the mining and oil markets — the facts and rumors.

By RAY MAGLADRY

Prolonged weakness in the uranium list sets off a flood of "street" rumors on the marketing outlook for Canadian production.

Most talk hinges on unconfirmed opinion that U. S. policy toward Canadian purchases is stiffening.

Confidence in uraniums has been lacking since mid-October when a "fusion scare" hit the market, sending these issues into their worst spin of the year.

Since then, most uranium stocks have slipped back under steady offerings, very little buying interest.

* * * * *

	Latest Price $	Early Oct. $	1957 High $	1957 Low $
Algom	15½	19.00	25¼	12⅞
Cons. Denison	10⅝	17¼	25⅜	10½
Gunnar	13¾	17.50	21¾	10¼
Lorado	.65	1.02	1.70	.63
Northspan	3.30	4.90	9.00	3.30
Stanleigh	2.45	3.90	6.40	2.40
Stanrock	1.60	2.30	5.05	1.52

* * * * *

THE BUZZ IN BOARD ROOMS—is about the handful of lower-priced stocks that attract some interest, in brief bursts to higher levels.

Maralgo Mines in a climb that started over a month ago at around 23c moves to top of 45c, settles at 41c. Company reported to have 25% interest in syndicate which has obtained a Mattagami area prospect. Shareholders will be asked December 19 to approve increase in authorized capital from 4 million to 5 million shares.

After jumping from 65c to $1.15, **Thompson Lundmark** slips back to 90c. Company reports encouraging exploration results from iron property of **Quebec Cobalt & Exploration** in which Thompson has about 40% interest.

* * *

Belcher Mining Corp. churns in fairly heavy volume to $1.45 from a recent $1.53. Heavy short position reported in this issue as company officials carry on negotiations with European steel interests for development of iron ore property.

Market's condition and tight money taking a severe toll of developing mine properties, even those with reasonably assured markets. **Black Bay Uranium Mines**, which was to ship ore to **Lorado Uranium** custom mill, halts mine development because of inability to raise financing. Black Bay eases from 30c to 15c, partially recovers to 25c.

Lorado also a weaker issue. Company must depend on custom shippers to provide mill feed. Stock slips to 65c from around 70c.

* * *

Brilund Mines is suspended from trading on Toronto Stock Exchange pending completion of a TSE investigation of company affairs. Brilund traded between high of 90c and low of 8c this year, was 13½c when suspended this week.

Shares of **Molybdenum Corp. of America** are called for trading on TSE. Major Canadian interest is in **Quebec Columbium** which holds columbium property in Quebec's Oka area. Molybdenum Corp. trades initially at $15¼.

* * *

ON THE OIL AND GAS FRONT—Alberta crude oil nominations for December are up about 3% from November, first sign of a turnaround since slump began last spring. Decline brought nominations from over 435,000 bbl. daily to 290,000 bbl. in November, a 33% drop.

Climbing from $4.90 to $5.35, **Triad Oil** settles back to $5. Officials deny London, Eng., rumor that company would take over **CPR** oil holdings, while admitting Triad has had discussions with the railway on the subject.

Taking over working control of **Edmonton Pipe Line, Jupiter Oils** bounces up from $2.10 to $2.50. The pipeline firm serves the Joarcam field in Alberta.

Flock Gas Seeks CPR Agreement

Flock Gas & Oil Corp. is negotiating with **CPR** officials for an agreement to retain reservations held from the railway in Alberta, President H. S. Flock says in a report to shareholders.

The company is trying to obtain a relaxation of a new drilling commitment proposal put forward by CPR, Mr. Flock says. The reservations, in the Princess-Steveville-Denhart area, are in the name of **Okalta Oils** which has been advancing cash to Flock and drilling on the lands for an 80% interest. Flock would receive 20% of net proceeds from any production.

Canada Facing Russ Bid For Japan Asbestos Market

MONTREAL (Staff) — Russia may prove a tough competitor for Canada in the Japanese market for asbestos.

The big Communist nation already is competing vigorously in European markets.

Since the U. S. takes some 95% of our production, Red sales aren't a major factor in the health of the Canadian industry.

But, with expansion plans under way, we want every possible sale to justify greater capacity.

It's reported here the Russian industry plans to build exports to Japan. It was only last spring that Canadian producers announced that their Japanese shipments had reached pre-war figures.

Russian talking points in Japan presumably would include lower shipping costs and a willingness to take local currency. Canadian policy has been to ask for payment in dollars.

In September, the Canadian industry — which produces about 65% of free world supply—had its most extraordinary sales period in history.

Because of an impending 5% price increase in October, eager buyers took shipments of almost 132,000 tons, 69% above the same month a year before, 43% higher than the previous month, 20% above the previous record month.

However, this surge of buying was expected to be reflected in smaller-than-normal shipments in succeeding months.

Expansion under way in Quebec includes a plant with designed capacity to process 3,000 tons of ore daily for **National Asbestos Mines**; 2,400 tons daily plant for **Quebec Asbestos Corp.**; $9 million mill planned by **Lake Asbestos of Quebec**, a subsidiary of **American Smelting and Refining**.

ANNOUNCEMENT

H. F. DITCHBURN

Opens Mining Consultant Practice

H. F. Ditchburn announces the opening of a mining consulting practice at 121 Richmond Street, West, Toronto. Herb Ditchburn is a mining engineering graduate of Queen's University and a graduate of the Harvard Business School. During World War II he served as an officer with the Royal Canadian Engineers in Europe. For the past ten years he has gained broad experience with Falconbridge Nickel Mines Limited in several specialist and executive positions. As a mining consultant he will specialize in mining economics, valuations and management studies.

MEMO From Elder

NEW MINING MARKET COMING?

Bearish for Four Months, Elder Now Sees Upswing in New Range of Prospects

Two full sessions before the Eisenhower stroke sent the market into its last decline, readers of The Elder Letter received the last in a short-term series of letters which primarily featured short selling instructions. This letter, issued November 21, predicted one more "tailspin" culminating in a "definite bottom"—of intermediate significance. It also stressed that the U. S. Administration faced the almost immediate necessity of forcing a selective boom which would "eclipse the intensity of anything seen in a generation." As had been the Elder policy for some weeks, this boom was stressed as one which would affect fundamentally very few issues—essentially, those involved with the age of propulsion, and those concerned with exploration for what we feel will be the basic monetary fuel of this age: gold.

Within days, this technically overdue "final tailspin" was precipitated by the President's seizure—giving readers of the series a chance to cover up a six-week series of short sales.

For some weeks previous to this juncture, however, we had been feeling our way into the long side of the market in carefully selected speculatives, chosen for closest possible attunement to the anticipated new order in the Canadian mining market. Ten weeks ago, for example, we isolated a 27-cent speculative which, in our opinion was the first company to move into aggressive gold exploration during this latest new phase. As last week's letter announced what we feel to be the emergence of a new type of mining market, we noted that this stock had slowly added over 50 percent with a rise to 44 cents. We next recommended the first listed issue which, to our knowledge, has actively entered the search for propulsion-age metals such as beryllium. Some clients were evidently able to buy it as cheaply as 68-70 cents; and as we write, it is trading at 90. A third stock, seemingly of roughly this type, was recommended two weeks ago "below 25 cents". A few shares were secured by buyers below this mark and the stock is now 25 bid—30 asked.

Not much evidence, we'll grant you—but what there is of it seems conclusive: We feel a new explorational boom of an extremely selective nature has actually started in the Canadian mining market; and during the weeks and months ahead we expect to see it blossom through all the classic phases of discovery and development. If you'd care to follow the weekly interpretations of this new movement which will be contained in The Elder Letter, send $3 for a six-week trial subscription or $35 for a year of service.

J. C. ELDER & CO. SECURITIES ADVISER

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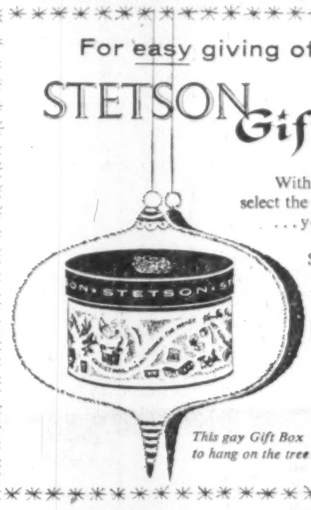
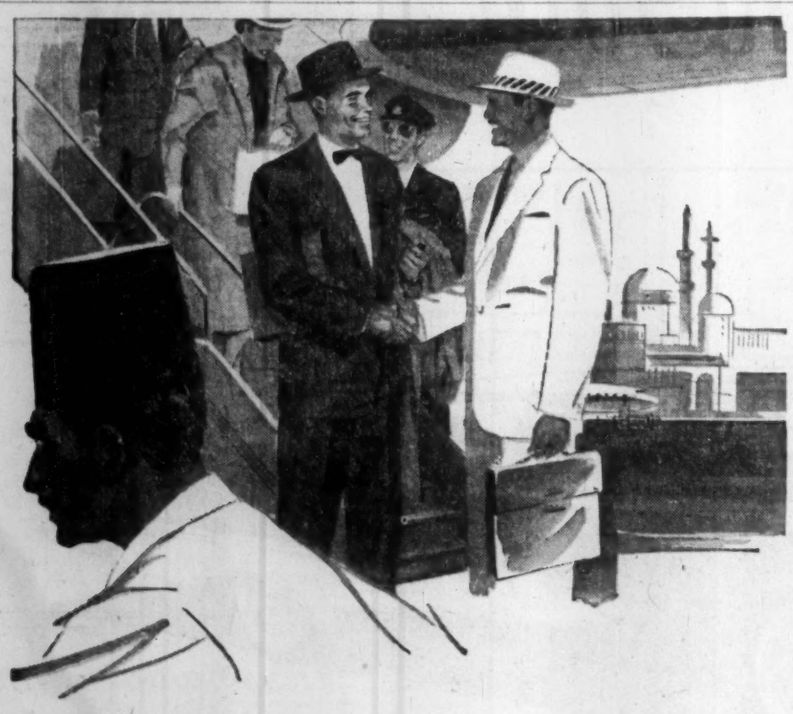


This gay Gift Box to hang on the tree...

Smart "Shaped-to-wear" Hats like this "Concord" (Tela-Pinch).



IF YOUR FIRM

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B-18FP

Teck-Hughes Net Down, Lamaque Up

Teck-Hughes Gold Mines net profit declined about 29% while its subsidiary, **Lamaque Gold Mines,** showed slightly higher earnings for the first 10 months this year compared with the same period last year.

Teck-Hughes had estimated net profit of $272,980 equal to 5.68c per share compared with net profit of $382,122 equal to 7.95c a share in the same period last year.

Dividend from Lamaque of 10c a share payable Dec. 2 amounts to 5.04c per Teck-Hughes share and brings total earnings to 10.72c per share, President J. C. Perry states.

The company is milling about 485 tons daily on a salvage basis.

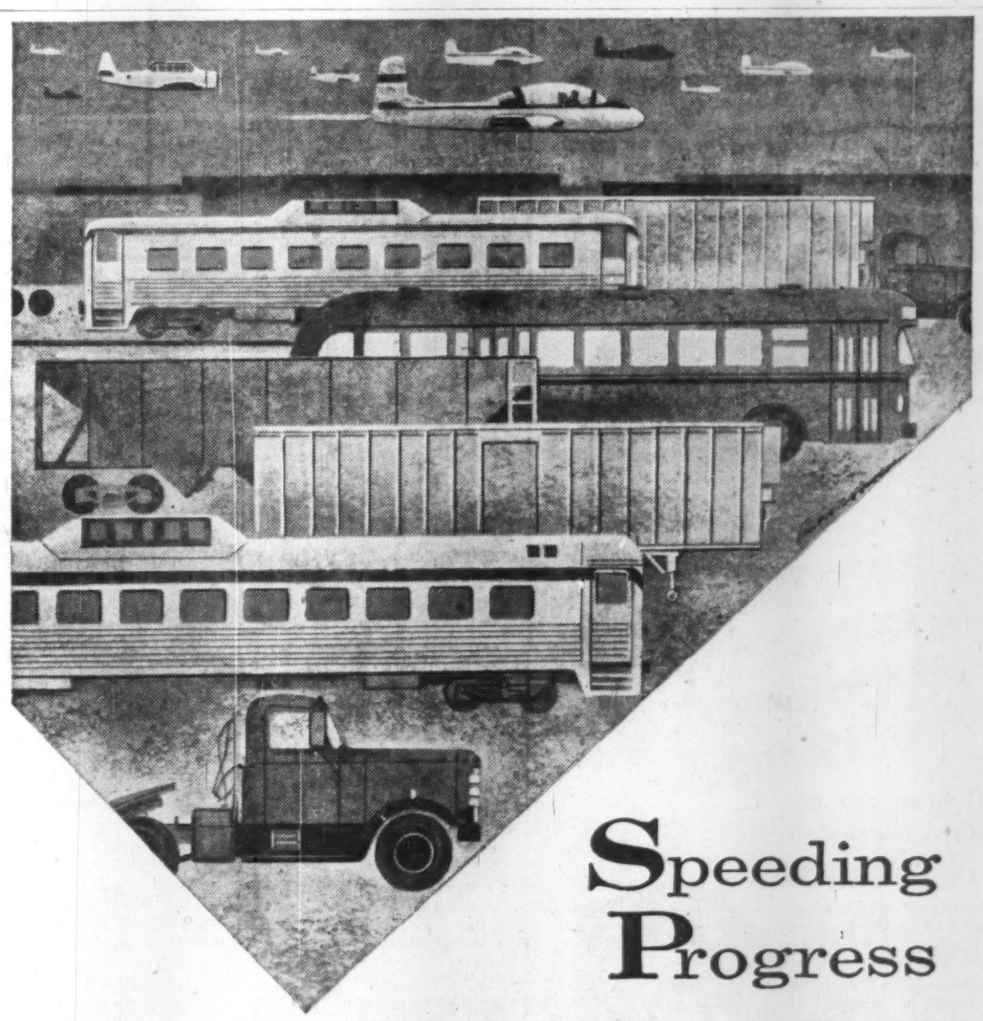
	10-Mos. 1957	10-Mos. 1956
Gross bullion	$883,932	$1,058,670
Operating costs	916,623	973,009
Investment income	63,351	54,141
Net oper. profit	30,660	139,802
Lamaque dividends	242,320	242,320
Est. net profit	272,980	382,122
Net per share	5.68c	7.95c

Lamaque Gold Mines had an estimated net profit of $652,650 equal to 21.76c per share in the first 10 months this year, slightly above net profit of $636,939 equal to 21.23c a share in the same period last year.

Operations are normal at 2,000 tons daily milling rate, President J. C. Perry reports.

Two stringer zone areas between the 2,300-ft. and 2,900-ft. levels are being prepared for blast hole mining, he says. On the 2,000-ft. level, 230 lineal ft. of ore grading .33 oz. over drift width have been developed by extending the **Sigma Mines** 16 level drift into Lamaque below the No. 2 mine workings.

	10-Mos. 1957	10-Mos. 1956
Gross bullion & est. cost-aid	$3,683,704	$3,692,906
Operating cost	3,032,752	2,981,256
Investment income	76,561	47,793
Tax provision	74,863	122,504
Est. net profit	652,650	636,939
Net per share	21.76c	21.23c



Speeding Progress

through better transport equipment

Progress in Canada has always been hastened by the railways. As natural riches were discovered, the railways brought them to markets. More prospectors came to the hinterland, more people to the growing villages and towns. Canada was growing. To speed this phenomenal growth, more and better railway equipment, industrial and mining rolling stock, trams, buses, trucks and trailers were required. Much of the transport equipment used throughout Canada during the past 50 years has been supplied by Can-Car.

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Mine Cars & Ore Cars
Diesel Trucks
Highway Trailers
Military Aircraft

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Member: A. V. Roe Canada Limited and The Hawker Siddeley Group

CAN-CAR

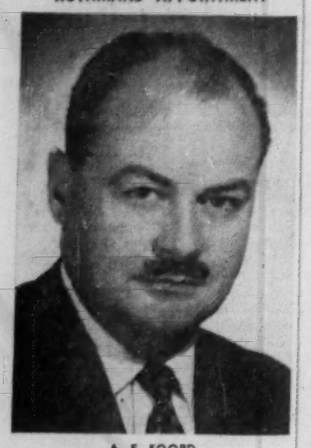
Market Bid and Ask Quotations

(CONTINUED FROM P. 44)

	Bid	Ask		Bid	Ask
xMogul	46	49	Nat Dr	11	11½
Mnls A	25	26	Do p	11	11½
Do B	25	26	xN Exp	18	19
Molyb	13½	13¾	N Groc	20	22½
Do B w	450	..	Do p	24½	25½
Mo B wt	430	..	xN Ho A	395	445
xM Kn	300	350	Do B	350	375
Do p	..	50	N Lead	97½	98¼
M Mort	29	42½	xN Pet	175	190
xMoneta	65	70	N St C	22	22½
M Loco	13½	16	Nat Tr	37	38
Mt t Tr	32	35	xNealon	4½	6
Moose	63½	86½	xNello	13	15
Mre A	1032	..	Neon	11½	13
Do B	1360	..	xNes L	26	30
Morg & C	16	18½	xN Alg	6	6½
Do 6½%p	88	92	xN Ath	20	27
xMulti	52	60	xN Bid	5	7
xNama	23½	29½	xN Bris	25	35

ANNOUNCEMENT

ROTHMANS APPOINTMENT



A. E. FOORD

Appointment of A. E. Foord as Advertising Manager of Rothmans of Pall Mall Canada Limited has been announced by Alan Pollack, president. Mr. Foord brings to Rothmans extensive experience in the advertising agency field and company advertising. He joins Rothmans following four and a half years as advertising manager of Thomas J. Lipton, Ltd. Mr. Foord's appointment is part of the general expansion program of Rothmans in Canada.

	Bid	Ask		Bid	Ask
xN B D	217	220	xParam	5	6
xN Cal	20	24	xParbec	4	5
xN Chb	122	125	xPardee	41	45
xN Cons	28	32	xParker	375	375
xN Cont	29	30	xPater	30	35
xN Dav	16	24	Patno M	400	460
xN Del	38	40	xPymst	15½	16
xN Dick	191	193	xPriess	36	38
xN For	11	11½	Pbina (ne	7½	7¾
xN G Ex	145	150	Do p	43	45
xN Gvue	4½	6	Pmnts	15	15
xN Harri	14	15	Do p	100	..
xN High	14	15	PCJI	15	15½
xN Hos	10½	11	Do p	92	99
xN Jas	7	9	xPmo p	198	205
xN Kel	8½	9	xPerron	32	33
xNlund	16½	17	xPeruv	70	79
xN Man	31	32	xPetrol	41½	42
xN Min	10	15	xPhil	85	90
xN Myla	12½	14	Ph Eng	40	43
xNnor	6	7	xPck Cr	96	100
xN Rou	5½	9	xPion	100	103
xN Sen	4½	5½	xPit-Or	6	6½
xN Sup	117	120	Placer	800	825
xN Taku	15	..	xPonder	28	30
Niag W	8½	11	Pow R	32½	33
Do B	8	10	xP Rou	34	..
xN Rim	106	108	Pow Cp	37½	38½
xNipis	117	120	xPrairie	260	270
xNisto	5	5½	xPr Brd	5	6
xNor-Ac	9½	12	Prem T	85	90
Noran	38	38½	xP Iron	375	400
xNogld	7	9	xPres El	90	100
xNorlar	8	9½	xPrest	495	510
xNrmet	269	280	Price Bro	85	87½
xNorpex	33	34	xPrnto	440	465
xNorpym	12	13	Do w	81	85
xNortal	16	19	xPros A	72	80
xNCO	280	285	xProv G	280	282
Do w	126	140	Prov Tr	11¼	..
Do p	31	31	xPrdex	5	6
xN Rk	54	56	xQ Ascot	10	11
xNthsp	330	355	xQ Chib	41	43
Do A w	210	220	xQ Cop	34	35
N Star	11¾	12½	xQ Lab	6¼	7
Do A	12¼	13¼	xQ Lith	715	730
Do p	40	40½	xQ Man	18	20
Do w	100	145	xQ Met	87	95
Do w56	242	250	Que Pwr	28	28½
xN Can	106	110	Q Nat G	20½	21
NQ P	22½	23½	xQunst	12¼	17
Do 1 p	45	..	Quem	700	720
xNor Ph	290	325	Quin A	9¼	11¼
NW U p	76½	79	Quin	8	..
xNthld	27	30	xQnto	13½	15
xNorval	17	18	xRdior	41	44
xNudul	18	19	xRainy	20	40
Oak W	7	10	Rap-Gri	7	7½
xObask	4½	5	xRayro	92	93
xOBrien	49	50	xReef	6½	7
Off Sp	13	17	xReeve	103	115
xOgama	6½	7	xRemab	131	140
xOka R	13	14	xRexsp	29	30
xOkalt	146	148	Reyn p	..	87
xOLear	13	14	xRichwil	145	148
xOB S	50	..	xRio R	7	8
Do p	61	..	R Sk A	..	122
xOJC	155	165	Do B	450	500
Do p	7½	8	xRix	37	38
Do B p	7	7½	Robetsn	12	13
Do w	43	51	Do $1p	17	18
O Loan	22½	23	xRobin	..	300
O Stl	21	22	Do p	190	200
xOpem	720	725	R Little	9	9½
xOr Cr	200	250	Do A	12	13
xOrena	14	15	xRoche	10	11
xOrms	21	22	xRckwn	36½	38½
xOsisk	23½	25	xRky p	23	24
xPce	12	15	Roe AV	13½	13½
Pac P	20½	20¾	Rolland P	15	17
Pge Her	110	111	Do pfd	75	80
xPmour	36½	38	xRowan	5½	6
xPan W	23	25	xRoxan	8	9

	Bid	Ask		Bid	Ask
Roy Bk	60½	61½	T-D Bk	39½	40½
Roy O A	11½	11¾	T Elev	16½	17
Royalit	14	14½	T Gen T	29½	30
Do p	25½	28	T Iron	25	26
Russell	8½	9	Do A	23	26
xRyanr	9	13½	Tor Mor	101	..
StL C	12	14	T Sav	37½	40
Do p	13½	13½	xTowag	7	10
Do A p	93	95½	T Fin A	36½	37½
xSt Maur	51	55	Do B	334	342
xSt Mic	10	12	Do 4½%	85	85
xSan A	45	54	Do 5%	40	41
xSand R	13	14	Do A r	14½	18
xSapph	56	57	Do B r	16	..
Do deb	35	37	Do w	40	..
Saz	..	13½	xTr Can	73	79
Scfe A	..	6½	xTr-Em	185	189
xScrry	191	195	xDo rt	16	17½
Scythe	12½	17	Tr-Mt	70	70½
Do p	19½	..	Tr PPL	19½	21½
xSec F	460	470	xTr Res	14½	15½
Shawin n	25	25½	xTriad	500	510
Do A n	24	24½	xTribag	19	25
Do p	41	42½	xTrin	19	20
Do B p	46½	..	xUlt-Sh	22	23
xShp Cr	35	40	Un A	6	6½
xShrt	460	475	Do 2 p	8½	8½
Sal	12	13	U Gas	66	..
Do A	26	28	xU Min	16½	17
Do B	25½	25½	xU Ash	465	475
Sher-Wms	..	34	U Cp A	25	29
Do pfd	123	125	Do B	18½	19½
Sicks	21	22½	xU Est	61	70
Do vt	20½	21	U Fi A	53	54
xSigma	365	390	Do B	48	50
Sikmt	17½	18½	xU Keno	360	375
Do p	36	..	xUn Mont	12	12½
xSil Mill	30	35	xU Oils	262	263
xSil St	13	15	Un Stl	12½	12¾
Silwd A	10½	10½	U Prd	17¾	20½
Do B	10½	11	xUpp C	56	62
Sim & So	28½	..	xVanad	380	390
Do 5% p	..	93	xVando	5½	6
Simpsn	17½	17½	Vent	24	25
xSiscoe	62	65	Viau Ltd	..	70
xSKD	185	205	Vicroy A	480	500
Slt n	16½	17	xDo B	..	200
Slat p	42	..	xVico	4½	5
xSlocan	5½	6	V G Tr	23½	24
Smvill p	46	53	xViolm	125	130
xSouris	10	12	V Dar p	10½	12½
Stham	41	42	xVul	50	55
Sou Can	..	54	xWainwr	290	295
xSth U	18	20	Waite	610	620
Spartan	7	7¼	W G W	77½	78
Do w	200	245	W Eq	8	9
xSpoon	18½	20	xWayne	8	10
xSidcona	18½	19	xWebb K	240	260
St Bds	..	39	xWeedon	21½	25
St Pav	33	35	xWernr	7	9
St Rad	11½	..	W Mas p	110	..
xStanl	243	250	xWspac	19	20
Do w	130	145	xW Mal	6	7
St B A	7	9	xW May	175	180
Do B	6	7½	West	14½	14½
xStnrck	157	165	W C Br	30	30½
xStnwl	92	94	xW Dec	155	164
xStarr	5½	6	xDo w	38	40
Stdmn	23½	23½	W G A	32	32
Stl Can	48½	48½	Do p	25	25½
xSteloy	6½	7	xW Lse	425	445
St R	865	870	xW Nac	125	128
Ster Tr	35	40	W Ply B	10½	..
Stov p	5	5½	Wstn A	21½	22
Stu O	15½	15½	Do B	22	22½
xStrgn	10	11	Do p 4½	86½	92
xStud C	5½	6	Do p 6	1024	..
xSulli	210	220	Do A w	760	775
xSun Ex	16	18	Wh l p	22	31
S Prop	400	425	Wh Pass	6½	7½
Do p	18½	19½	xWiroy	78	81
xDo w	115	130	xDo w	34	38
Steel o	15½	16	xWiltsy	18½	19
Do c	325	425	xWinch	5	6
Do p	95½	98½	Wdfall	12	13
xSurf I	4	4½	W Cent	8	8½
Switsn	300	305	xW Alx	340	375
xSylvan	115	118	Gld W p	92½	..
Tmbln n	20½	21	Wood A	30½	32
Do p	40	..	Wood P	80	86
xTandm	12	12½	Wdrd A	10	10½
xTaure	38	42	xWl Cb	6	..
Tay PC	8½	9	xWr H	127	131
Do p	9	9	xYale	7	17
xTeck-H	138	140	xYan C	7½	8
xTemag	130	133	xYellor	5	6½
xTex C	40	48	xYk B	81	85
Tex Co	63½	63½	xYKn A	150	200
xTho L	91	94	xDo B	35	60
xThom P	335	375	xYukno	3½	4
xTiara	5½	6	Zeller 4½%	41	..
TT Tirs	10	15½	xZenmac	17½	19
xTmbill	22	26	xZulapa	24	27
xTorbit	23	25			

x—Quoted in cents.

Toronto Curb

	Bid	Ask		Bid	Ask
Andian	380	450	Do p	13	14½
A C	27½	32½	DOC	29	29½
Ang-N	5½	5¾	Dupont	17½	17¾
Asbest	31	32	Do p	77	80
B A B	..	33	Gaspe	21	25
xBuloio	340	350	Hayes	21	22
CD Sug	21½	22	I Pap	89½	90½
C Ving	20	20½	I Util	24	24½
C Bnze	24	25	Lang p	39½	43
Do p	..	100	Lob I	68½	70½
C Cast	10	10½	M Lan	..	62
Do p	..	6	MO Pap	22½	23½
CG Inv	25	25½	Ogilv	26	27
C Ind	17	17½	Do p	125	135
CIL p	75	79	xPato	285	295
C Ing	38	40	xPend O	185	190
xC Marc	210	230	Price	42½	43½
C West	41½	48	Sngmo	..	12
xCst C	242	250	xSW P	77	92
C Pap	31½	31½	Th CGI	4½	5½
xDalh	15	15½	Twin C	16	17
de Hav	141	250	xYuk C	49	51
D Glass	56½	..	Zellers	25	26

x—Quoted in cents.

Canadian Stock Exchange

Stock	Bid	Ask	Stock	Bid	Ask
Beaubran	26½	27½	Un Amu A	8	9
Beld Cort	6	10	Do B	8	..
Do p	9	..	Do vt A	8	9½
Belg St	5	8	Un Dist	15	..
Do p	12½	..	Waterman	5½	5½
Bfly Hos	175	300	Wilson JC	7½	10
C Floor B	13½	..	Windsr Ht	18½	..
C Arena	140	..	Wood Mfg	41	..
C Int Inv	14	19	**MINES—Cents**		
Do p	..	95	Alta	3	5
C Pr & Pa	5½	..	Ameranm	5	6
C Silk A	210	300	Arno	3½	4
Catelli A	28	32	Band-Ore	4	6
Do B	39	45	Barvallee	4	5½
Cl Neon A	6½	..	Beatrice	4	6
Do B	5½	..	Bellechase	50	54
Do p	100	..	Belle-Chib	7	..
C Div A	100	130	Bouzan	40	..
Do p	28	32	Burnt H	27	30
C Textiles	..	17	Calumet Ur	4	5
Crain RL	31	32	Cdn Lith	21½	22
Dav & F A	20	48	Cartier-Mal	3	4
Dom Eng	17½	20	Cen Man	6	8
E Koot p	..	112½	Fab Metals	8½	12
For Pr S	275	375	Fontana	4	5
Horner A	9½	10½	Gui-Por Ur	4	7
Htl La Sal	39	..	Hcrest Col	70	..
Hub Flt	265	..	Hud-Rand	5	9
Do A	..	21	Iso-Uran	26	29
Hydro Elec	8	..	Jardun	2½	3
I Paints A	7½	9	Kontiki Ld	5	6
Do p	..	24	Lingside C	4	5
I Found	38½	39½	Mogador	12	15
Do p	51½	..	N Formaq	8½	9
Lambt A	..	10	N Pacific	88	..
Do B	12½	14½	N Stiago	4	4½
Latonia I	14½	15½	N Vinray	3	5
Mclaren P	59½	62	Nocana	4½	5
Melch Dis	8	9	Obalski	5½	6
Do p	14	16	Orchan Ur	15	16
Mtl Refrig	39	..	Pitt	4	5
Mt Roy R	12	13	Por Prime	6	7
Nfld L&P	44	45	Que Smelt	21	23
Paton Mfg	8½	..	Red Crest	5	6½
Do p 7%	..	22½	Tache Lk	10	10½
Paul S St	..	10	Tazin	17	18
Pr Crp 1st	62	..	Tiblemont	7	8
Que-Tel	19	20	Trebor	13	16
R&M Bear	..	18½	Valor Lith	9	10
Reitman's	13	14	Vtrg Min	37	39½
Renold Ch	14½	..	Wendell	2½	3
Sangamo	11	11½	Westville	7	9
S Can p	118	..	**OILS—Cents**		
Tooke Bro	20	35	Bonn'lle	13	14
Do p	35	130	Gaspe	7	..
			Gateway	..	6

Calgary Oils

Quoted in cents

Stock	Bid	Ask.	Stock	Bid	Ask.
Albedena	2½	3	Leduc Cal	9½	10
Aldina-L	3½	3½	Ldmster D	20	..
Amalta	2½	3	Mill Cr	51	75
Anacon'a	115	125	Mollusca	..	100
Barons	5½	6	Monarch	3½	6½
Bashaw L	11	13	N Ranch	3	3½
Blue Cr	10	11	N Richfld	5½	6
Cdn Ftune	4½	5	No Cont	1½	2
Castle	13	14	Nuco Pet	15	17
Century	7	8½	Quinalta P	17	18
Claybar	9½	14	Reality	1½	1½
Command	95	..	Renfrew P	2½	4
Dom Min	3½	4	Ridgway P	1½	2
Dubar Exp	1½	2	Royal Cdn		
E Can G	7	8	Vent	37	45
Edoran	5	6	Sage	..	75
Freehold	1½	2½	Sastex	4	6
Fort St			Select	5½	6
John	400	..	Share -	7	8
Gold Sat	..	15	Silver C	..	8
Gold Spike	4	4½	Sturgeon P	8	10
Hargal	2½	3½	Transfld P	3½	4½
Henderson	7	10	Tri-Zone	7	8½
Jump Pd	26	28	Turner V	25	30
Kenare P	5	6	Vanalta	28	30
Keno	11	12	W Warner	5½	7½
Leamac P	6	7	York	7	8

Mining Capital Pushes North

More energy and capital have been spent on pushing back the northern frontier in 1957 than in any previous year, according to the **Northern Miner's** annual review issue.

Improved transportation and communications, new mapping and prospecting methods are combining to attract capital northward.

MINING INVESTMENTS

Lead Price Breaks to 13c, Copper Dull, Price Steady

A decline in sales and higher stocks in refiners' hands have undermined the price of lead for the fifth time this year.

The price cut of ½c lb. to 13c lb. was preceded by a steadily weakening London market which had been discounting higher import tariffs in the U. S. where producers have called for a boost from the present 1.06c lb. to 2.55c lb. on lead.

In Canada, price of lead followed the U. S. lead, dropping from 12¾c to 12¼c lb.

In October, U. S. smelters shipped 22% less lead than in the previous month while refinery stocks rose sharply.

Copper business — by both producers and custom smelters — remains dull in the U. S. with prices unchanged at 27c for primary and 25c lb. for custom smelter output.

* * *

Pronto 3-Month Profit $694,000

Pronto Uranium Mines had net profit of $694,000 equal to 28.8c per share in the 3rd quarter this year, compared with net profit of $705,806 equal to 29.3c a share in the 2nd quarter.

Average head content of ore processed by the mill in the period was 2.41 lb. of uranium per ton and milling rate averaged almost 1,500 tons daily.

Pronto has purchased sufficient debentures on the open market to meet sinking fund requirement of $1.3 million due Dec. 1 this year.

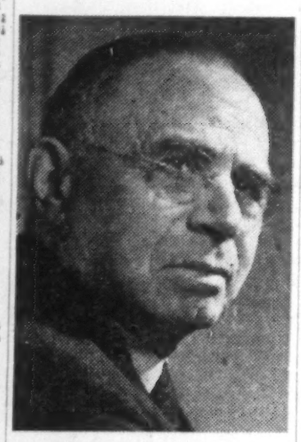
	3rd Quarter	2nd Quarter
Tons milled	136,063	127,630
Gross Revenue	$2,917,000	$2,814,497
Oper. cost per ton	$11.36	$11.34
Taxes, int., etc. per ton	$1.57	$1.09
Total costs per ton	$12.93	$12.43
Net profit	$694,000	$705,806
Net per share	28.8c	29.3c

* * *

Eastern Mining Merger Okayed

All shareholder groups have approved details of a merger of **Eastern Mining & Smelting, Nickel Rim Mines, Canalask Nickel Mines** and a claim group of **Trebor Mines** (FP, Nov. 16).

These companies and properties are being consolidated into a new company, **Nickel Mining & Smelting Corp.**



DR. JOHN F. THOMPSON, Board Chairman of INTERNATIONAL NICKEL CO. OF CANADA, who has been awarded the Charles F. Rand Memorial Medal for 1958 by American Institute of Mining, Metallurgical and Petroleums Engineers. Award is for distinguished achievement in mining administration.

ANNOUNCEMENT

HUDSON'S BAY OIL AND GAS COMPANY LIMITED APPOINTMENTS

L. J. RICHARDS H. W. BLAUVELT K. H. BURGIS

R. C. Brown, president of Hudson's Bay Oil and Gas Company Limited, has announced the appointments of two senior vice-presidents and a financial vice-president. The three appointments become effective December 1 and they reflect the broadening of the company's organization.

L. J. Richards has been appointed senior vice-president. He joined the company at Calgary in 1948. Mr. Richards was named a vice-president in 1954 and elected a director in July of this year. He was born and educated in Oklahoma, receiving his B.Sc. degree in civil engineering at Oklahoma State University. Following several years' service with Continental Oil Company he joined Hudson's Bay Oil and Gas.

H. W. Blauvelt is the other newly appointed senior vice-president. Mr. Blauvelt was born and educated in New York and is a graduate of Yale University and the Columbia Graduate School of Business Administration. Mr. Blauvelt joined Continental Oil Company in 1952 as assistant controller and he held that position until accepting his new appointment with Hudson's Bay Oil and Gas.

K. H. Burgis, financial vice-president, was born and educated in Ontario. He joined Hudson's Bay Oil and Gas as treasurer and secretary in August of 1955. Prior to that time, Mr. Burgis served 18 years in various assignments with The Canadian Bank of Commerce. His new position will continue to include the duties of treasurer, and at least temporarily the duties of secretary.

The new firm is carrying on negotiations for senior financing to build a nickel smelter and refinery at Chicoutimi, Que., a project originally planned by Eastern Mining.

The properties involved in the merger represent about seven million tons of ore containing a minimum 150 million lb. of nickel, plus copper and platinoid metals, Nickel Mining President G. H. Johnson says.

Contracts for sale of 15 million lb. of nickel annually for the next five years at premium prices have been taken over by Nickel Mining from Eastern Mining.

Authorized capital of the new company is seven million shares, of which 3.8 million will be issued on completion of the merger.

Ad Astra Readies Placer Property

Ad Astra Minerals has moved equipment to its placer gold property at Squaw Creek near Yukon-B.C. border, President R. C. Sissons says in a report to shareholders.

A test run of sluicing operations was not carried out because of lateness of the season,

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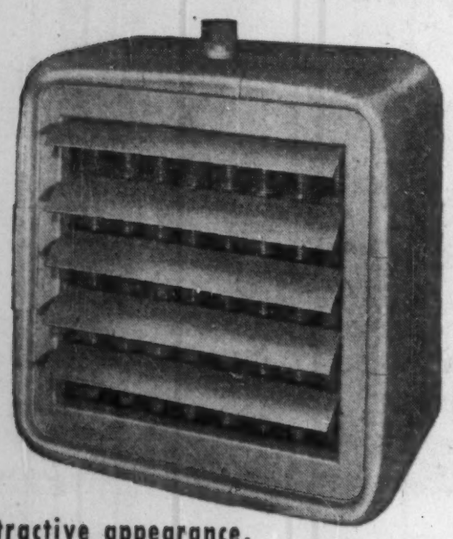

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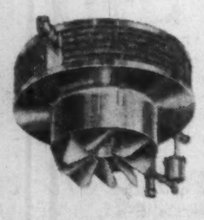

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ANNOUNCEMENT

NAMED VICE-PRESIDENT OF LIQUID CARBONIC, IMPERIAL OXYGEN

ANTON CHIPERZAK

The appointment of Anton Chiperzak as vice-president in charge of engineering for Liquid Carbonic Canadian Corporation Limited and for Imperial Oxygen Limited, is announced by L. S. Ferdon, president. Mr. Chiperzak, until now, chief engineer of the two companies, has been with them for the past ten years. Born in Chipman, Alberta, he is a graduate of Queen's University in mechanical engineering.

BUY CREAMERY

Purchase by United Co-operatives of Ontario of the **Land-O-Lanark Creamery**, Perth, Ont., has been announced. The creamery has an annual capacity of a million lb. of butter and brings UCO's annual butter production in eastern Ontario to 2.5 million lb. annually, 20% of butter production in that part of the province. The co-operative produces about 25% of all Ontario butter.

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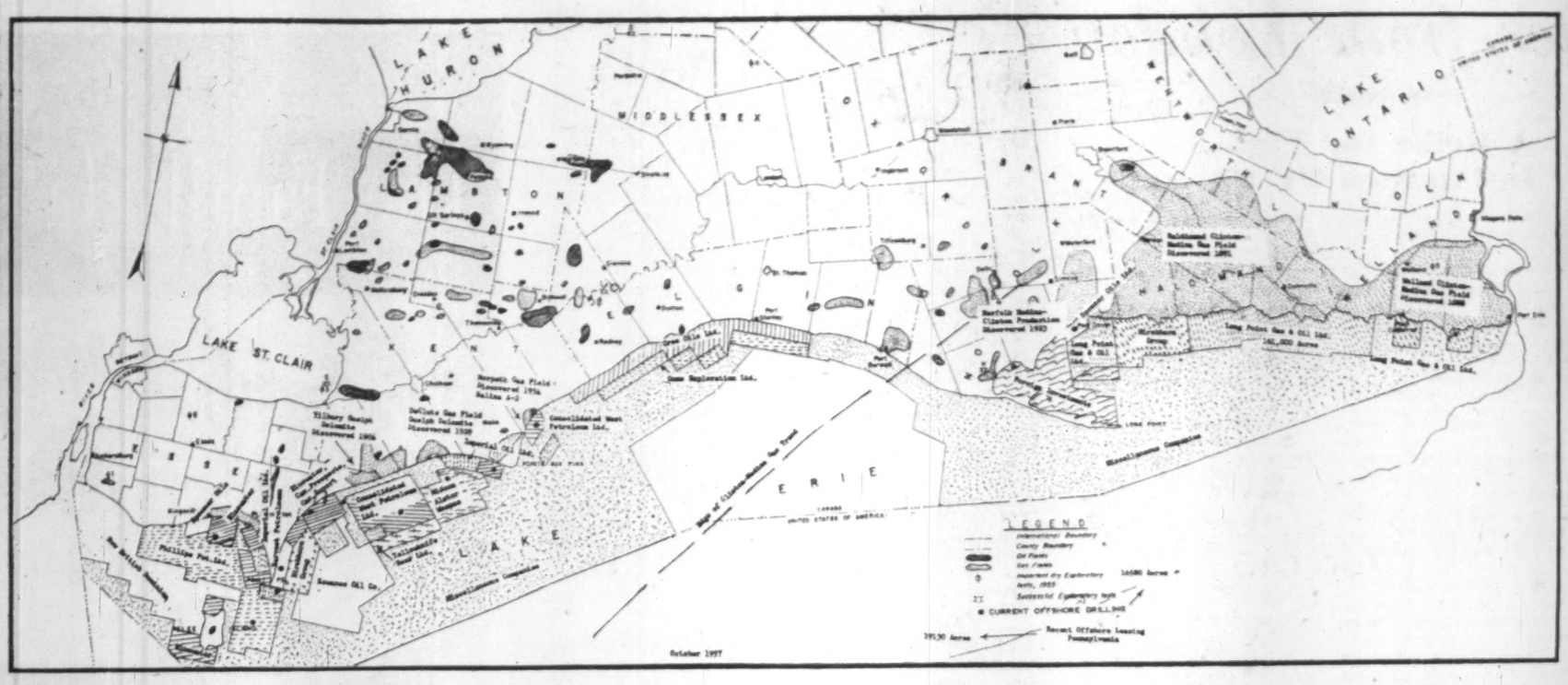


Spur Development Lake Erie Gas

The scramble for Lake Erie offshore gas set new records this year.

- More wells were drilled than ever before.
- Production reached a new high.
- More companies were in the picture, more were active than in any previous season.

Big names joined the exploration drive, and acreage was under permit from the Niagara River to the Detroit River.

Behind the big rush on Lake Erie:

A tremendous market waiting at the doorstep. **Union Gas** already buys and is committed to steadily expanding purchases over the next few years. **Consumers' Gas** is also eyeing developments, reportedly ready to make deals with any of the gas explorers that come up with substantial production potential.

The price of 35c-and-up per 1,000 cu. ft. of gas has attracted scores of interests to the offshore play.

Great Pace

Pace of activity would have been greater but for a severe shortage of drilling equipment on the lake.

Two operators kept equipment on the lake through last month, bucking bad weather, to squeeze in some additional work.

A dozen companies with acreage on Lake Erie drilled or had wells drilled for them under contract this year. There were some 25 holes put down.

Several more blocks of acreage are under permit, totaling well over one million acres.

It's likely next season will see an even bigger drive to explore this acreage. It is understood that several firms would have to drill in order to qualify to hold the acreage.

Permit holders must spend $500 the first year, $1,000 the second.

Finding Oil

The possibility of finding oil in commercial quantities is adding interest to the gas play.

One offshore well picked up four bbl. of 38 gravity oil in the White Medina formation, the same formation where U. S. interests have found commercial oil on the Pennsylvania shore to the south. In addition, several wells on the Ontario mainland have given slight oil shows. One Ontario well got a show this year in the Trenton formation which underlies some companies' holdings on the lake.

Pioneer developer in the area, **Consolidated West Petroleum** chalked up another top season of activity, drilling 12 successful wells out of 13 holes.

The 12 successes were drilled at half-mile intervals from the proven gas area, further extending the already substantial field. Total natural daily open flow from these 12 wells is 3.1 million cu. ft.

The one unsuccessful well was drilled south of the main property, about 2.5 miles from the nearest commercial gas well.

The company's gas sales have soared by over 600% in the five years to the end of 1956, and the 1957 rate has shown another good increase so far.

A West Pete subsidiary, **Underwater Gas Developers**, drilled 23 wells in the past season, 13 for the parent company and 10 for others. A small profit is seen for this year from the contract drilling, and a major increase for next year.

An oil show in an **Imperial Oil** well in Romney Twp., about 2.5 miles northwest of West Pete's nearest producer, has sparked interest in the possibility of oil on the Lake Erie holdings. The oil was found in the Trenton formation which underlies the lake property at 2,700 to 2,900 ft.

Newcomer to the play, **Long Point Gas & Oil** moved its unique, floating platform into the lake off Crystal Beach toward the end of the season.

First Well

First well, to bottom of the White Medina formation at 944 ft., proved to be off-structure in relation to the big producing wells on Point Abino. Although 30,000 cu. ft. of gas was obtained, it was not considered to warrant production.

The equipment was in the lake in late November as the company was trying to spud-in a second well.

Long Point plans a big 1958 program involving a minimum of 10 wells, perhaps double that number.

Designed and engineered by Canadians, the company's drilling barge lifts itself on three hydraulic legs permitting it to drill in 25 ft. of water with platform a further 10 ft. above water. Higher tensile legs can permit work in up to 45 ft. of water.

The platform is designed to withstand 80-mph winds and wave action up to 25 mph.

Spooner Mines & Oils began its first well in early summer on the first of three Lake Erie offshore concessions covering 57,000 sq. miles.

Drillers on Platforms

Drillers worked from platforms built on pilings which are driven into the lake bottom.

First hole on acreage off Port Dover, some 1,300 ft. from the 54-year-old Port Dover gas field, proved dry but a second try was successful about 1,000 ft. further out. In this stepout, the company got 150,000 cu. ft. of gas.

In addition, about four bbl. of 38 gravity oil was obtained in the well in the White Medina formation. This showing renewed speculation that oil might be found in commercial amounts under the lake since slight oil showings have been found in onshore wells.

Spooner's equipment was on the lake late this fall, drilling for **Foreign Investments** on acreage in the Long Point area, west of Port Dover.

Foreign Investments is controlled by Texas oil interests and has large acreage adjoining Long Point Oil & Gas on the west.

Among gas explorers on the lake, **Bluewater Oil & Gas** represents the interests of two western Canadian firms in this area. It is owned jointly by **Canadian Prospect** and **Canadian Export Gas** both of Calgary.

Midcon Oil & Gas drilled the first well of the season on Lake Erie, with the venture finding gas on acreage bounded by Consolidated West Pete and **Imperial Oil**. This hole entered the pay sands at about 1,480 ft.

Big development for Midcon was a take-over of **Aqua-Land Exploration** which owns one drilling tower and, through **Marine Drilling Tower**, has interests in a new-type of floating drill platform. Both towers were used on Midcon acreage this season.

Midcon worked with **Texas Calgary**, which holds acreage to the south, in the year's exploration program.

Drilling was also carried out on acreage held by **Phillips Petroleums, Harvest**, Imperial Oil, **Lake St. Clair** and **Warwick** interests.

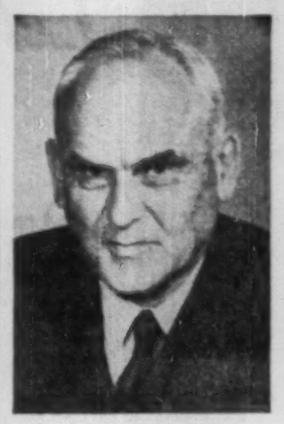
Feature of the season was the big scramble for acreage by several "big names" in the oil and gas industry.

In addition to Phillips, such companies as **New British Dominion Oil, Cree Oil, Dome Exploration (Western)** and **Kewanee Oil Co.** gobbled up acreage.

Late in the season, **French Petroleum Co.** was reported to have taken over the acreage of New British Dominion on the west end of the lake.

Well over 200 new exploration permits were sought from the Ontario government this year, representing interests of many more major oil and gas companies.

ANNOUNCEMENT



RT. HON. C. D. HOWE

RT. HON. C. D. HOWE, P.C., was elected a director of the Bank of Montreal at the 140th annual meeting of shareholders recently at the bank's head office.

Mr. Howe, who has had a distinguished career in parliament over a period of 22 years, served for nearly a decade as Minister of Trade and Commerce. He has been awarded 15 honorary degrees in law, science and engineering from universities in Canada, the United States and Australia, and is now chancellor of Dalhousie University, Halifax, N.S.

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Company Reports

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

Textiles

CIRCLE BAR KNITTING CO., Kincardine, Ont., net profit of $15,136 for year ended June 30, 1957, compared with net loss of $154,073 for previous fiscal year.

Company was re-organized, new managers have been installed in two departments and changes made in sales staff and in other phases of company's activities, says President J. G. Anderson.

Working capital increased $66,242. Increase in inventory in part reflects increased volume of business enjoyed by **Imperial Cloth Co.**, which operated on a very limited scale previous year, company says.

INCOME ACCOUNT

Years Ended June 30:	1957	1956
Net earnings	$47,471	*$110,411
Less: Deprec.	32,335	43,662
Net profit & surplus	15,136	*154,073

*Loss or deficit.

Note—The company reports show net profit of $29,346 in 1957, net loss of $153,797 in 1956 reflecting inclusion of various adjustments and profit on sale of fixed assets.

Earnings per Share and Dividend Record:
Class A† ..... $0.57 di$5.84
†None paid.
Common d0.43 d6.84
None paid.
‡Before participation.
Note — Dividends on Cl. A stock in arrears $3.75 per share as at June 30, 1957.

Shs. o/s at June 30:	26,398	26,398

CONDENSED BALANCE SHEET

As at June 30:	1957	1956
Cash	$991	$27
Accts., etc., rec.	238,062	219,956
Inventories	542,675	412,256
Total curr. assets	781,728	632,269
Fixed assets†	$10,093	553,975
Other assets	6,986	.....
Total assets	1,299,807	1,186,244
Bank loan & o'dft.	240,336	174,672
Accts & tax. pay.	173,264	154,711
Total curr. liab.	413,600	329,383
Capital stock	126,995	126,995
Surplus	759,212	729,866
†After depr. of	965,288	968,872
Working capital	369,128	302,886

Oil Company

CANADIAN SUPERIOR OIL OF CALIFORNIA had gross revenue of $6,751,782 from crude oil sales in year ended Aug. 31, an increase of 97% over 1956 revenue of $3,491,126, President A. E. Feldmeyer reports.

Net production after all royalties and outside interests amounted to 2.7 million bbl., a rise of 83.7% over the previous fiscal year.

At the end of the fiscal year, the company had interests in 436 gross oil wells, equal to 255 net wells, and 11 net gas wells. Net production averaged 7,458 bbl. daily in the latest year while August, 1957, averaged 8,907 bbl. a day.

Land holdings amounted to about 2.9 million net acres under lease and reservation in Alberta, Saskatchewan and Manitoba, Mr. Feldmeyer says. Holdings, dropping from slightly over 3 million acres at the end of 1956 year, were reduced mainly by assignments to other companies under various farmout agreements.

Canadian Superior acquired an interest in government permits in the Yukon and North West Territories, amounting to over 700,000 acres.

To year end, the company had borrowed $13.5 million in U. S. funds under a credit agreement with two U. S. banks. A supplementary agreement in November this year makes another $3 million available from the two banks.

CONDENSED BALANCE SHEET

As at Aug. 31:	1957	1956
Cash	$3,713,047	$344,650
Accts. rec.	1,050,866	667,947
Inventories	1,649,642	1,179,036
Total curr. assets	6,413,555	2,391,633
Invest & deposits	185,680	137,323
Leases & rts.	4,438,033	4,127,596
Prop. & equip.*	4,830,689	2,935,131
Explor. & preprod. expend.	26,002,164	21,779,955
Deferred charges	904,289	828,346
Total assets	42,774,410	32,200,684
Total curr. liabs.	1,702,457	1,672,335
Bank loan	12,935,174	2,442,980
Capital stock	4,479,000	4,477,400
Capital surplus	23,667,779	23,651,379
*After depr. of	5,179,353	3,331,525
Working capital	4,711,098	789,308

Note—Co. is deemed to be in exploratory & development stage & explor. & preprod. expenses less income have been capitalized. Such income amounted to $6,751,782 in 1957 and $3,491,126 in 1956.

AMUREX OIL had a net loss of $732,674 in the year ended Aug. 31, 1957, compared with loss of $733,537 the previous year.

Crude oil and natural gas sales increased 39% to $1.1 million while drilling income was down 21% to $556,768, President W. L. Falconer reports.

The **Devon Drilling** division, operating three rigs in contract drilling in western Canada, has "successfully gone through a period of low drilling activity," he says. Cash income from drilling amounted to $26,000 in the year.

All three rigs are now working on contracts although "a large percentage of the tools in the industry are standing by," Mr. Falconer says.

Amurex has interests in 129 gross oil wells, equal to 36.05 net wells, and in 27 gross gas wells, equivalent to 13.33 net wells. The company holds 709,982 gross acres, or 211,294 net acres, of unexplored acreage in net acres in Alberta, Saskatchewan, Montana, North Dakota and Texas.

Cash operating position has grown from losses in the years 1954 and 1955, to operating income of $304,133 in 1956 and $537,877 in the latest fiscal year.

Further development is looked for at Midale and the Hatton gas field in Saskatchewan, Berry Creek in Alberta and the Arthur field in Texas. Secondary recovery methods are being explored for certain of the company's holdings.

CONS. INCOME ACCOUNT

Years Ended Aug. 31:	1957	*1956
Oper. inc.	$1,725,114	$1,432,705
Add: Int. earned, etc.	23,055	10,965
Less: Crude oil exps.	230,418	121,486
Explor. exps.	1,195,623	1,043,629
Gen. & adm. exps.	86,608	135,082
Depr., depl., amort.	968,194	877,010
Net loss	732,674	733,537

*11-month period.

CONDENSED CONS. BALANCE SHEET

As at Aug. 31:	1957	1956
Cash	$207,304	$512,011
Acct. rec.	581,042	681,005
Mater. & supplies	329,024	315,950
Total curr. assets	1,117,370	1,508,966
Prep. exps.‡	57,598	30,112
Advance to officer	7,008	8,768
Investa.	28,324	25,196
Wells, devel., etc.	9,233,794	8,093,539
Fixed assets	1,705,836	1,697,711
Less: Depr. & depl.	2,967,363	3,036,599
Total assets	9,182,669	9,330,690
Total curr. liab.	921,901	874,488
Due bank	707,744	191,191
Unreal gain on $ conver.	35,793	23,288
Due Ponder	75,003	77,840
Capital stock	7,067,750	7,065,585
Paid-in capital	4,390,895	4,390,234
Less: Deficit	4,015,517	3,282,843

‡Incl. in curr. assets in co.'s report.

Working capital	196,569	634,981

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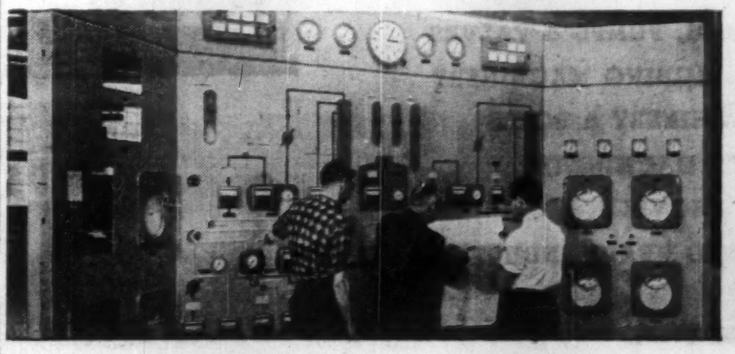
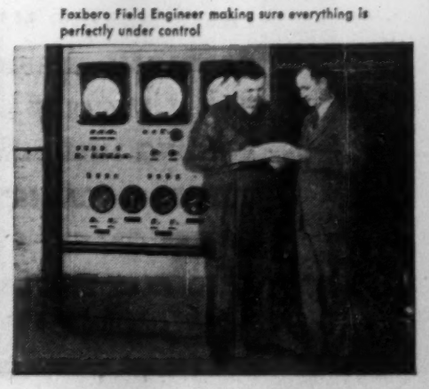


Foxboro Field Engineer making sure everything is perfectly under control



Letter from London

by Adelphi

A Bribe for Time Is Charged PC 99

Christmas is not far off but seldom have I seen the British people in such a cantankerous mood.

Everyone seems to have a grievance.

In fact the Island race is in one of those spells which can best be expressed in the old Cockney music hall song: "What's the good of anythink? why nothink!"

It is true that the Canadian Trade Commission has been enlivening the gloomy scene.

I attended the cocktail reception at Claridge's which is the posh hotel of London and it seemed that half the cabinet were there — which is as it should be.

Chancellor Peter Thorneycroft looked as usual like the Flag Lieutenant in the opera Madame Butterfly, but his thoughts cannot befar removed from the enquiry into the alleged leak of the increased Bank Rate.

There is no suspicion that any minister has benefited personally but the British are merciless when the honor of public life is challenged even though the crime is no more than an indiscretion.

* * *

Macmillan Upsets France

But as if this were not enough the prime minister has so deeply offended the French that it is a wonder the French parliament did not march en masse to the Place de la Concorde and burn him in effigy.

The French have claims to being the most civilized people in the world but they are apt to take an extreme chauvinist point of view when their overseas interests are at stake.

The problem was simplicity itself but that does not mean that it is easy to solve.

The Tunisians had to have arms to defend themselves against possible aggression.

The French government recognized the Tunisians' necessity but feared that if arms were sent they would be turned over by the Tunisian president to the Algerian rebels.

Britain and U.S. had a different fear that Egypt would provide the arms if Britain, France and the U.S. did nothing.

So a full supply of armaments were flown to Tunisia by U.S. and U.K. planes.

As a result, Mr. Macmillan and Mr. Selwyn Lloyd were given "the bird" when they journeyed to France to explain.

Those happy days last spring when all Paris cheered the Queen are now forgotten. To French eyes Perfidious Albion has reverted to form.

* * *

Why Did The Market Drop?

There was nation-wide sympathy for President Eisenhower and his family when the news came about his sudden illness.

At such a moment the British only think of him as a friend in peace and war.

What did puzzle us, however, was the stock market panic that followed the announcement of the news.

Mr. Eisenhower would not have stood for a third term even with robust health, nor would there be any fundamental change in policy if the Democrats came to power.

However, the fall was short-lived — to the relief of the British oil investors.

* * *

But not even the President's illness nor Macmillan's row with the French could compete in news value with the fantastic story of police bribery in the underworld of that salubrious resort of Brighton which is sometimes called "London by the sea."

The basis of the charge is that local police officers were paid weekly bribes to allow a tough night club to remain open and unmolested after the legal closing hour.

In fact the club in question simplified matters by opening for custom at the hour that all its rivals had to close.

Inevitably the wits have had their fun over the affair. Here are two stories which have had a great run:

Nervous police sergeant in charge of morning inspection parade of Brighton police: "All present and corrupt, sir."

The other is of the Brighton police commandant who described his unit as "the best police force that money can buy."

Perhaps the subject is not one for ribaldry but in these grim days we must take our laughter where we find it.

* * *

Canadians Very Active

It is impossible to take up any British newspaper without finding something about Canadian activities in London.

A fortnight ago there was the Canadian Club dinner at the Savoy and this week we not only had the reception to the Canadian Trade Commission at Claridge's but a terrific dinner of the Women's Canadian Club at the Dorchester.

With a courage that was wholly admirable the women decided that there would be no speeches — and I understand that the decision was unanimous.

Despite this break in tradition, or perhaps because of it, the party was still going strong when the grisly hour of 2 a.m. warned us all that we should go home.

George Drew and his wife, supported by Lord and Lady Alexander, waited until the very end and showed no signs of weariness.

Incidentally the British were much impressed by the wearing of name badges on the coat lapels of the Canadians at the trade reception.

The device is not entirely unknown here but it would be a boon to us all if the name badge was more widely worn.

* * *

Meanwhile in political circles there is much discussion of the proposed reforms of the House of Lords.

Unless Macmillan finds himself overburdened with foreign affairs and the development of nuclear striking power he is almost certain to remodel the Upper Chamber.

But admittedly the plan will be of more interest to the politicians than to the general public.

I am glad to report that the winter so far has been in an amiable mood and with more than its usual ration of sunshine.

But the grumblers will not allow the sunshine to alter their mood. It looks as if 1958 will be a good year for grousers.

DENTON MASSEY

general manager AMF Atomics (Canada) Ltd., has been elected a vice-president and director, continues as general manager.

Cdn. Celanese '57 Net Up

MONTREAL (Staff) — Full-year earnings of **Canadian Celanese Ltd.** for 1957 will be greater than the $2,007,084—97c per share — earned in 1956, according to President Charles W. Palmer.

In addition to the regular quarterly dividend at the new rate of 20c per share (raised from 15c in the third quarter of this year), company has declared an extra of 15c.

This brings total dividends for 1957 to 85c against 75c paid last year.

Palmer told **FP** company's venture into the carpeting field —launched this summer — is doing exceptionally well and all production is sold out at present.

During 1958 company will devote most of its efforts to consolidation of its manufacturing position to "make commercial successes out of its recent technological accomplishments," rather than development of new products and lines.

DOMINION STORES LTD.

Company has opened two large food markets in Toronto. This makes total of 36 new stores opened by Dominion this year.

ANNOUNCEMENT

CANADA PERMANENT TRUST DIRECTOR

W. LEO KNOWLTON, Q.C.

Hon. T. D'Arcy Leonard, Q.C., President of The Canada Permanent Trust Company announces the election of W. Leo Knowlton, Q.C., to the Board of Directors of the Company. Mr. Knowlton was appointed General Manager of The Canada Permanent Trust Company in June 1956.

NEW from State Farm:

The Family Life Policy

Important addition to the State Farm agent's complete portfolio of policies for family protection

State Farm Life's new Family Life Policy is just one of a complete line of contracts which our agents have available to help them fit insurance programs to the exact needs of their clients . . . whatever their age or income.

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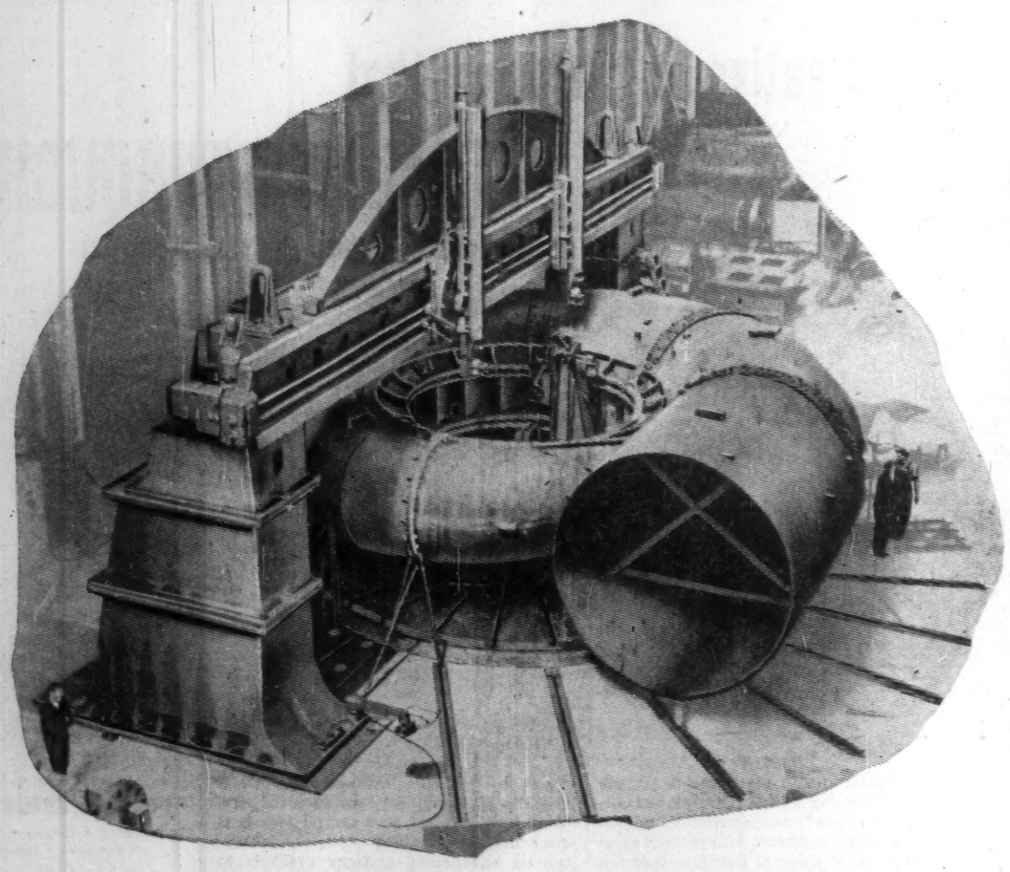
For more information about any aspect of State Farm operations, simply write: Provincial Director, 31 Yonge Street North, Richmond Hill, Ontario.

STATE FARM INSURANCE



The Biggest Swing in Canada 52 feet in diameter!

This 42/52 Boring Mill was specially designed and produced by Dominion Engineering to machine parts which were so large physically that they could not be worked with existing equipment.

Flexibility of operation was the keynote of the design. A machine was needed which would be capable of meeting current needs, yet sufficiently adaptable to handle outsize machining jobs and future technological advances in metals and machining procedures.

Thus, the table can carry a work piece of 200 tons and is driven by electronically controlled, variable speed motors with a power potential several times the normal requirement. Inside or outside surfaces can be machined by rotating a work piece on the table with the tools mounted on the cross rail in the conventional manner or by mounting the *tool posts* on the table to machine the work piece which is fixed to the floor rails.

Variations can be made in setting and operation of the mill to swing and machine work pieces having diameters up to 52 feet and depths to 18 feet. Modifications can be made in order to machine depths in excess of the present cross rail clearance.

The result? Dominion Engineering Company has among the many special facilities of its 56-acre plant, one of the largest and most versatile boring mills on the North American continent.

Some Products Made by Dominion include:

PAPER MAKING MACHINERY
HYDRAULIC TURBINES, PUMPS & VALVES
DIESEL ENGINES - MINING MACHINERY
ROLLING MILL MACHINERY & ROLLS
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POWER CRANES & SHOVELS
SPECIALLY DESIGNED HEAVY INDUSTRIAL EQUIPMENT

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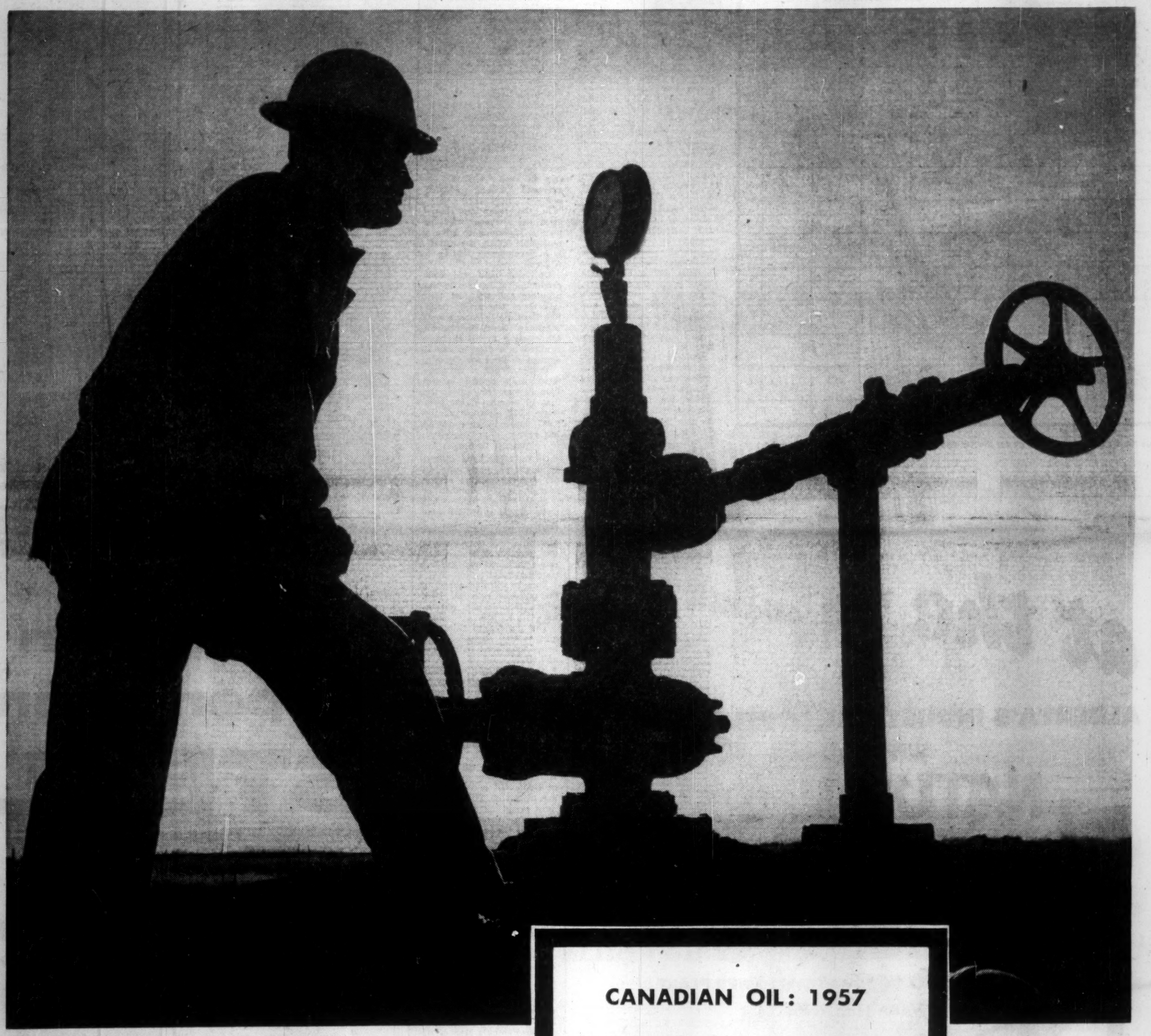
The Financial Post

Vol. LI | Member of Audit Bureau of Circulations | Publication Office: Toronto, December 7, 1957 | Twenty Cents an issue, Six Dollars a Year | No. 49

OIL & GAS



CANADIAN OIL: 1957

Production
185 million bbl., up 7.5% over 1956

Consumption
277 million bbl., up 5.5%

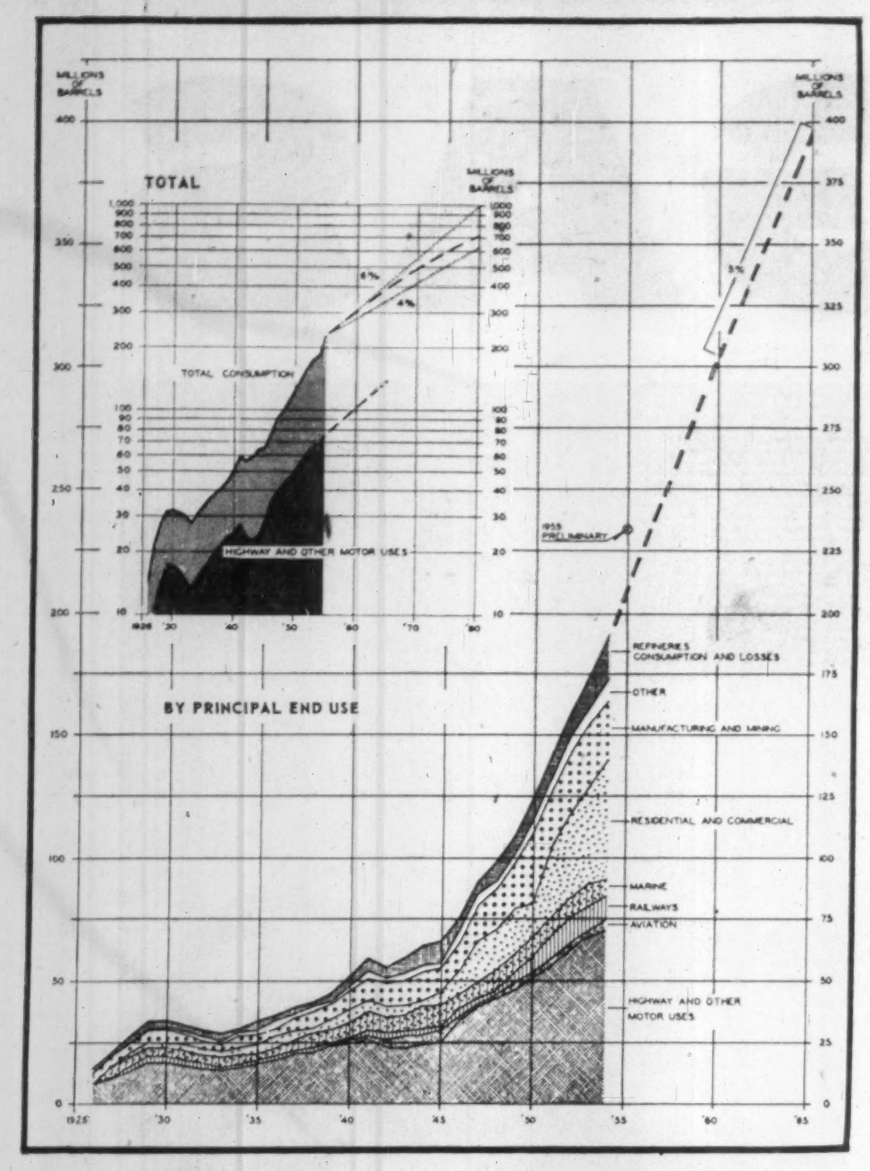
Wells Drilled
2,487, down 7% (to end of October)

Exports
53.6 million bbl., up 22%

Potential Output
920,000 bbl. daily, up 12.2%

a feature report

Canadian Consumption of Petroleum Products 1926-1980



From the Davis Report on Energy for the Gordon Royal Commission. (See article, p. 55.)

Output Trend

See New Rise After Decline

First indication of a flattening out in the 10-year continuous upward production trend in Canadian oil began to show in the second quarter of this year.

It became more pronounced as the year wore on and in the last quarter output will actually drop behind same period last year by some 2.5 million bbl.

Although this reversed production trend (plus the main reasons for it and various recommendations as to what might be done about it) is making the oil headlines today, there has been further healthy growth in the industry this year and a number of promising new developments:

- **Despite the declining** production trend over-all output will reach a new peak this year of approximately 182.2 million bbls. This is up some 10.3 million bbls. from last year, or a little over 5%.
- **The most promising oil** discoveries since Pembina have been made in recent months.
- **Several recent heavy gas** discoveries has made the Foothills section of Alberta highly potential gas country.
- **Completion of Canada's** first major gas pipeline and good progress on a second is seen opening up a big new revenue source to Western Canada.

Although the oil production increase this year is a narrow one — away behind what had been forecasted for 1957 — and marketing outlook continues clouded for the near term, optimism still rides high in the industry.

Hardest Hit

Alberta producers — hardest hit in the recent marketing decline — are now pretty well resigned to a slower operating tempo for some months.

Some of them have had to pare their expenditure budgets back for 1958, particularly those smaller independent producers almost entirely dependent for funds on day-to-day revenue from oil production.

But no one is looking on the current slow-down as anything much more than an awkward breathing spell — a period in which some painful belt-tightening will have to be administered — while awaiting the indicated market expansion ahead.

Actually several top oil marketing experts claim the bottom has been reached in the current market slump for Alberta crude.

From here on there will be a slow but steady climb back up to the 400,000 b/d rate in 1958. (In 1957 it averaged around 378,000 b/d.)

In the meantime, however, the slower marketing pace is beginning to have a noticeable effect particularly in development drilling in Alberta.

Declining field and well production allowables in the province and the fact that several of the major fields like Pembina in Alberta and Steelman in Saskatchewan are starting to fill in have resulted in a drop in development drilling for Canada.

Total number of development wells drilled in the four western provinces in the first 10 months of the year were 1,822, down from the 2,087 figure in same period last year.

Wildcat Drilling

On the other hand wildcat drilling is actually up. In the first 10 months of the year a record number of wildcats were drilled — 665 wells as against 593 for same period last year.

At the same time the success ratio held very close to the remarkable one-in-four rate established over the last couple of years.

This is still far ahead of the success rate in U.S. where ratio is now one-in-ten.

The discoveries this year give every appearance of being large ones; both in gas and oil.

- **One of the most important** of all is the D-3 oil discovery in the Innisfail area some 60 miles north of Calgary.

This find made by **Canadian Oil** and associates is the most active area in all of western Canada at the moment.

- **The Virginia Hills**, Swan Hills, Edith Lake discoveries of **Home Oil** and associates are looked on as one of the most promising made in Alberta since Pembina.

Since the oil has been found in an entirely new oil-bearing zone for Alberta it has great significance for the more remote and scarcely touched territory in northern Alberta.

- **Another new field**—Kaybob-Iosegun area 30 miles southeast of Sturgeon Lake fields, Alberta, — is another hot prospect.

Here, **Phillips Petroleum** with its Kaybob well, and the **California - Standard - B.A.** team with its Iosegun well, have uncovered an exciting looking Beaverhill Lake reservoir.

- **The Foothills area** of Alberta from west of Pembina right down close to the international boundary has become hot gas country.

Exciting new areas include such names as Savanna Creek, Stolberg (45 miles southwest of Pembina), Lovett River, Waterton.

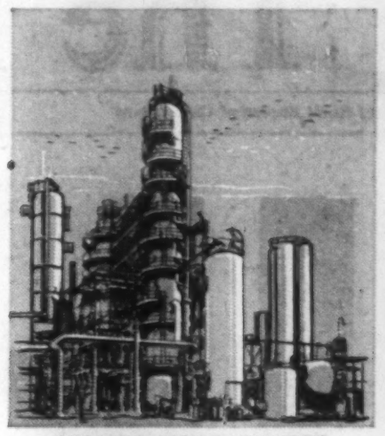
There's no doubt that a large portion of the drilling activity over the next year or so will be in and around these very promising finds.

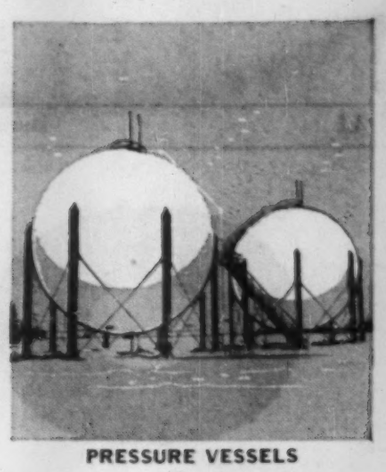
Foothills Fields

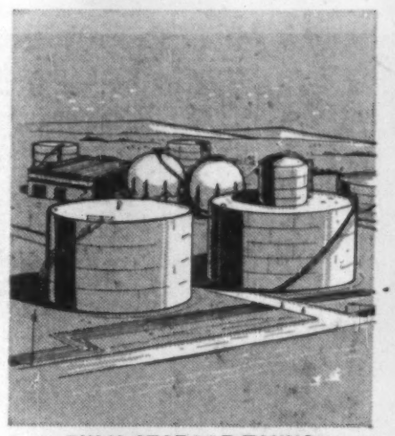
As for the series of Foothills gas fields now indicated it's unlikely that extensive development work will get under way until all necessary governmental approvals have been gained for large-scale marketing of this gas in Canada and U.S.

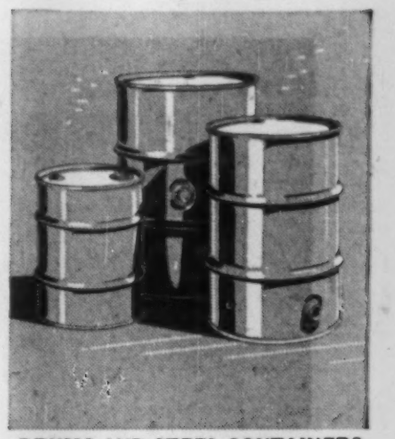
But Albertans are now counting heavily on this promising new source of revenue — natural gas — to round out the fast-develop-

(Continued on page 51)


FRACTIONATING TOWERS


PRESSURE VESSELS


BULK STORAGE TANKS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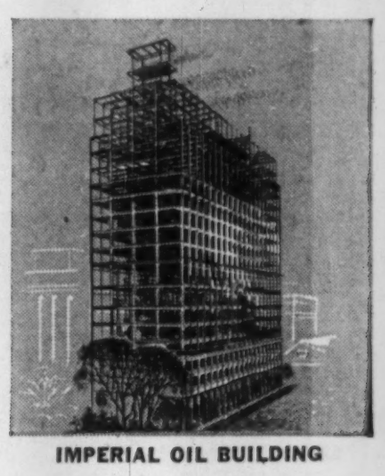
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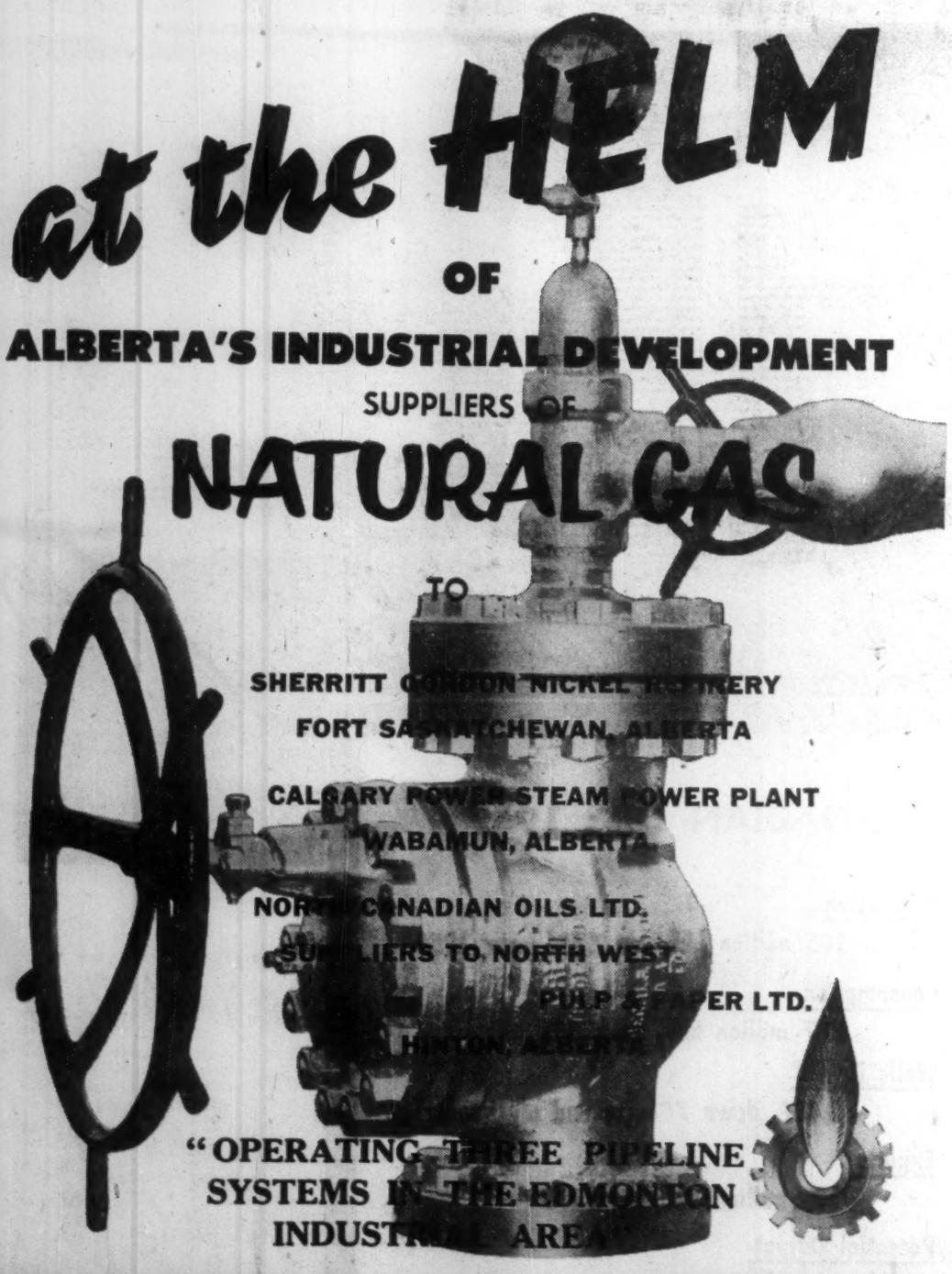

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World Oil: Just Where Does Canada Stand?

By W. L. DACK

Oil marketing is often likened to a chess game played on a gigantic world board.

Every new move affects in some measure the competitive position of the oil industry in every other part of the world.

And the unpredictableness of some of the moves can make even near-term forecasts look ridiculous, almost overnight.

For instance, who could have foreseen the aftermath of Suez largely responsible for such a huge build-up in surplus oil products as exists in U. S. today; or how this would hit so hard at a still buoyantly climbing Canadian oil industry?

Sagging tanker rates — always associated with crude or product gluts—is affecting Canadian oil on the West and East Coasts.

The refiner's cut in gasoline prices a couple of weeks ago was taken to stem an expanding inflow of U. S. refined products, particularly in the East.

The 5c-a-bbl. cut in carrying tariffs charged by Trans Mountain oil pipeline was to serve notice that Canadian oil will wage a sharp fight to hold its major export outlet in Washington state against foreign competitors.

This internationality of oil will be brought home even more forcefully to Canadians over the next couple of years as Alberta producers press more vigorously for an enlarged share of the home and export markets.

At the moment the oil marketing experts are watching the weather more than anything else.

On winter—how soon it comes and its severity—will largely depend the ability of the industry, both here and in U. S., to work off heavy accumulated stocks of refined products.

This in turn will be a big factor on the whole crude picture a few months hence.

The Unpredictables

But things like Suez — or a long open winter — are the unpredictables in the oil picture.

They set in motion a side series of casual - effect changes that can disrupt the entire production and marketing picture for a time —can even lead to such political moves as the recent Washington system of voluntary controls against imports.

Rarely, however, do they alter the basic, long-term marketing outlook. And it's on this that Canadian optimism is still solidly based.

Stated simply, the bolstering facts are these:

- **The Canadian market** itself is one of the fastest growing in the world; is seen by many experts likely doubling within the next 10 years.
- **The rate of success** in looking for oil is running away ahead of that in the U. S.
- **In the extending oil search** the surface has barely been scratched in this country.

There are other things too that mean quite a bit to a foreign oil explorer in this country:

Absence yet of oppressive governmental controls on the industry.

Strong central government.

An excellent system of transportation pipelines.

The temporary market gluts and export controls exert very little change in the exploration planning of the larger oil companies. They do cause a noticeable slow-down in the development of the exploration and development programs of many of the smaller independent companies which are more dependent on the day-to-day revenue from Canadian oil production.

For the first time since Leduc drilling activity in Western Canada has failed to establish a new record this year.

Most of the Heads

Most of the heads of the major U. S. oil companies attending the recent 37th annual conference of the American Petroleum Institute at Chicago expressed the view that current controls against imports there will soon be rendered an obsolete development because of the fast expansion in U. S. consumption.

The consensus was that there would be a 40-50% expansion in U. S. oil needs over the next 10 years.

This will mean stepped-up foreign oil exploration, even at the greater risk involved because "there are more unexplored and untested areas outside the U. S. than in it," the **Socony-Mobil Oil** president claimed.

But Canadian oilmen make no bones about it, the raising of voluntary import controls in U. S.—though they may be only temporary—has undermined somewhat market confidence in this country.

Even what has been looked on as Canada's surest export outlet — the U. S. Pacific Northwest — must now be placed in the uncertain category for the time being at least.

Although up to now this area—District 5—has been exempt from the controls, a Washington meeting was held last week to review the West Coast position.

Besides that the depressed world tanker rates have enabled Venezuelan and Middle East oil to lay down competitively for the time being in this market with piped-in Alberta oil.

Various market surveys have forecast the Pacific Northwest market for Canadian oil at anything from 300,000 to 450,000 b/d within the next 5 to 7 years.

There's a refining capacity there now of around 100,000 b/d and new refineries under construction, or planned, will raise this by a further 125,000 b/d by the early 1960s.

Export Market

This export market is essential to Canadian oil and the industry intends to do everything within economic reason to hold it.

Although it is impossible to forecast trends in tanker rates even a minor firming would be enough to assure retention of bulk of the Washington market for Canadian oil.

What about the other export possibilities?

There has been no major change in thinking along these lines. They are the mid-west U. S. market; potential outlets in the big Chicago-Toledo area and California.

The strong U. S. stand taken against imports recently renders all of them a little more remote.

Imports into the U. S. Mid-west are not seen expanding much over the next year since this area is included in the control move made recently.

The big limiting factor in this market is the smallness of refining capacity.

The area is well served by an extensive system of product pipelines from the Chicago area.

The biggest and most exciting outlet is the tremendous Chicago - Toledo area served mainly by the mid-continent fields in U. S. Canadian oil could be competitive here right now with only a 10-12c a bbl. price cut.

But any inroads into this market at the moment is out of the question.

New Supply

A new crude supply from the Four Corners area of New Mexico that's to be piped into southern California starting in January will also tend to limit export opportunities here over the next couple of years.

But many factors will influence the export picture over the next few years: How long the U. S. maintains controls against imports; tanker rates, Middle East political climate, rates of discovery both in this country and U. S. In the meantime, the greater producibility outstrips markets for Canadian oil, the greater will be the pressure to do something political and/or pricewise to correct the situation.

But a good many oil people are saying that the first major target for Alberta producers will be the Quebec-Eastern Ontario and Maritimes area served from the big Montreal refining area.

There is lots of controversy over the economics of serving this largest of Canadian refining centres (200,000-250,000 b/d capacity) with western oil.

Most of the independent Alberta producers favor this move; Alberta government officials are looking into it closely.

Practically all the major integrated companies are vigorously opposing it.

In a nutshell this is the situation.

The large capital outlay for the necessary second oil pipeline all the way from the west to serve Montreal will only be financeable when the five (soon to be six) refiners in the area sign long term throughput agreements to take prairie oil exclusively.

This they won't do unless forced, since imported crude is cheaper and often comes from an associated producer in Venezeula or the Middle East.

There are several ways in which Western Canadian oil could be made competitive in Montreal.

There could be a straight wellhead cut in the West—right now it would have to be anywhere from 25-40c a bbl.

Although the Montreal move could boost Western Canada output by some 25% the final net revenue position of western producers would vary greatly under such a scheme.

Those who operate high payzone, heavily shut-in wells, would stand to profit the most.

Pipeline carrying charges could be hoisted at various intervening points — Sarnia, Toronto—to get a lower rate at Montreal.

Finally a customs tariff could be slapped on foreign oil at Montreal (there's a tariff on refined products now and this would likely have to be boosted).

It is assumed that such a move would mean higher prices for products in Quebec and Maritimes.

Any decision to go for the Montreal refinery market would of necessity entail an undertaking to keep Prairie oil competitive in the face of possible—the refiners claim almost certain—price cuts by the historical suppliers of ocean-borne crude.

A number of Canada's top oil marketing authorities think the eventual potential in the U. S. promising enough to warrant waiting for it.

They see the fast climbing consumption there plus the rising cost of finding oil, opening up a big new marketing door to Canadian oil before very long.

When pinned down on timing they place this development somewhere in the 1960-1965 period.

It's better, they claim, to keep the oil in the ground and wait for this virtually certain market than to take a bold move to Montreal.

On the other hand, R. A. Brown, head of **Home Oil Co.**, Calgary, claims now is the time to start building a pipeline to supply the Montreal refinery market with western crude.

Protection?

"Surely the Canadian producer is entitled to at least the same amount of tariff and quota protection as U. S. producers enjoy if he is prepared to cut his wellhead price so that no cost burden is placed on the consumers in this area," Mr. Brown states.

Value of crude oil and products imported into Montreal in 1956 amounted to $400 million.

A group of Alberta independent producers have sponsored a thorough study of the economics of the Montreal market by a firm of New York petroleum market analysts.

The findings, expected shortly, are likely to play an important part in their marketing policy moves.

Other recently suggested measures for gaining a greater share of the home and export markets include:

- **Establishment** of a system of voluntary controls against imports, somewhat the same as has been done in U. S.
- **A rather grandiose** scheme aired by an Alberta government official of pooling U. S. and Canadian oil reserves in a new master marketing plan.

Neither of these are expected to be given much consideration.

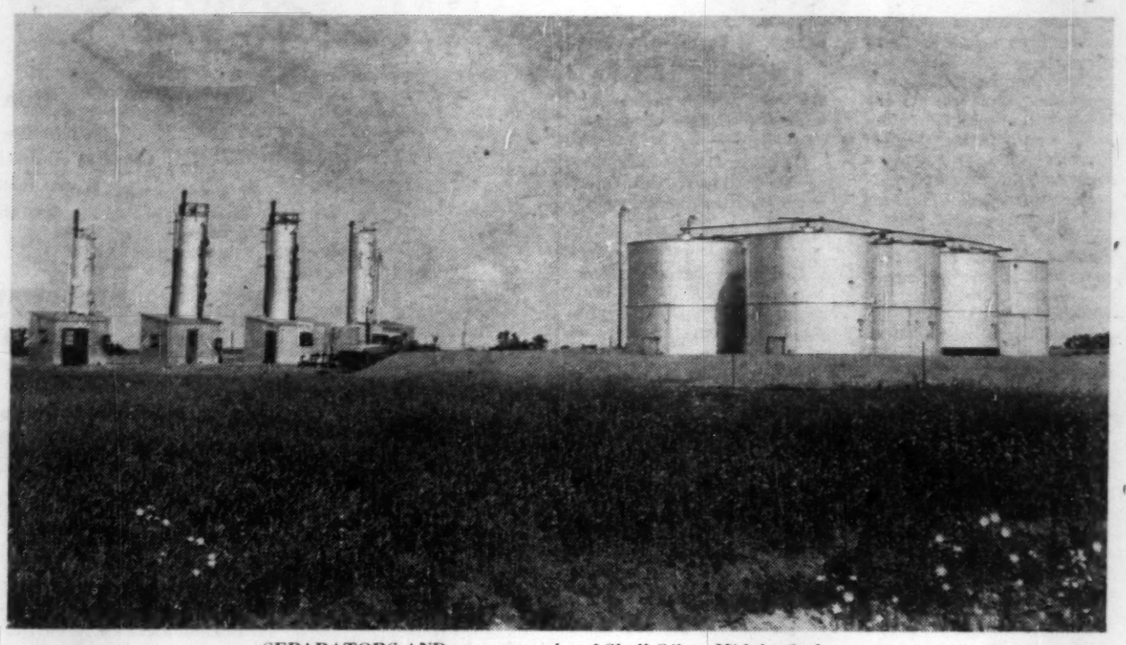
Two new refineries near Toronto and the eventual shifting over of a presently operating Sarnia refinery to western crude will boost further the share of the over-all Canadian market going to prairie crude.

Cities Service Oil Co.'s new 20,000 b/d refinery going up near Bronte, Ont. will be coming on stream next summer or fall.

Shell Oil Co. of Canada's similarly sized refinery will be built in the same location in 1959 1950.

The crude oil requirements of both of these refineries will represent a net market gain for Canadian crude.

Before long it is the intention of **Sun Oil Co.** to shift over from use of U. S. mid-continent crude to western Canadian crude.



SEPARATORS AND storage tanks of Shell Oil, at Midale, Sask.

New Rise In Output

(CONTINUED FROM P. 50)

ing petroleum picture in their province.

Highlight of the oil production picture this year has been the big gain made by Saskatchewan producers.

Output there has soared every quarter of the year and for all of 1957 will reach a new peak of around 36.5 million bbl. — a whopping 68% jump over last year.

Much of Saskatchewan's gain has been at the expense of Alberta producers. With her numerous light gravity oil fields in the southeastern corner of the province some 800 miles closer to Ontario and mid-U. S. markets, Saskatchewan producers have been able to capture an increasing proportion of these markets.

Because of the big market potential there have been virtually no controls put on field production so far.

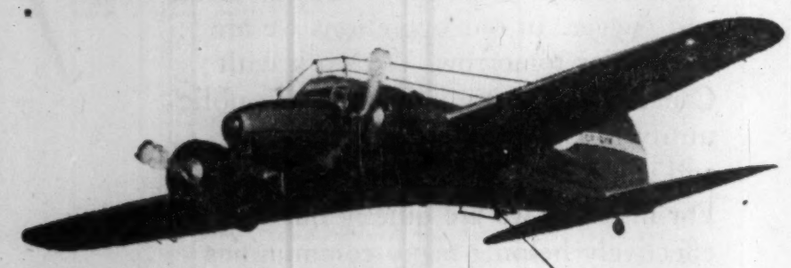
Big factor in the year's over-all oil production gains has been the early year jump in exports to the two refineries in the Puget Sound area of Washington state.

Although this market has also declined somewhat in recent months, total for the year is up an estimated 39% (26.6 million bbls.).)

Refiners have nominated for a total, 56,661 b/d for the month of December.

Earlier this year monthly deliveries were running around the 90,000 b/d level.

There is a strong likelihood that this market will gradually pick up again with the return of cold winter weather and working off of excessive inventories.



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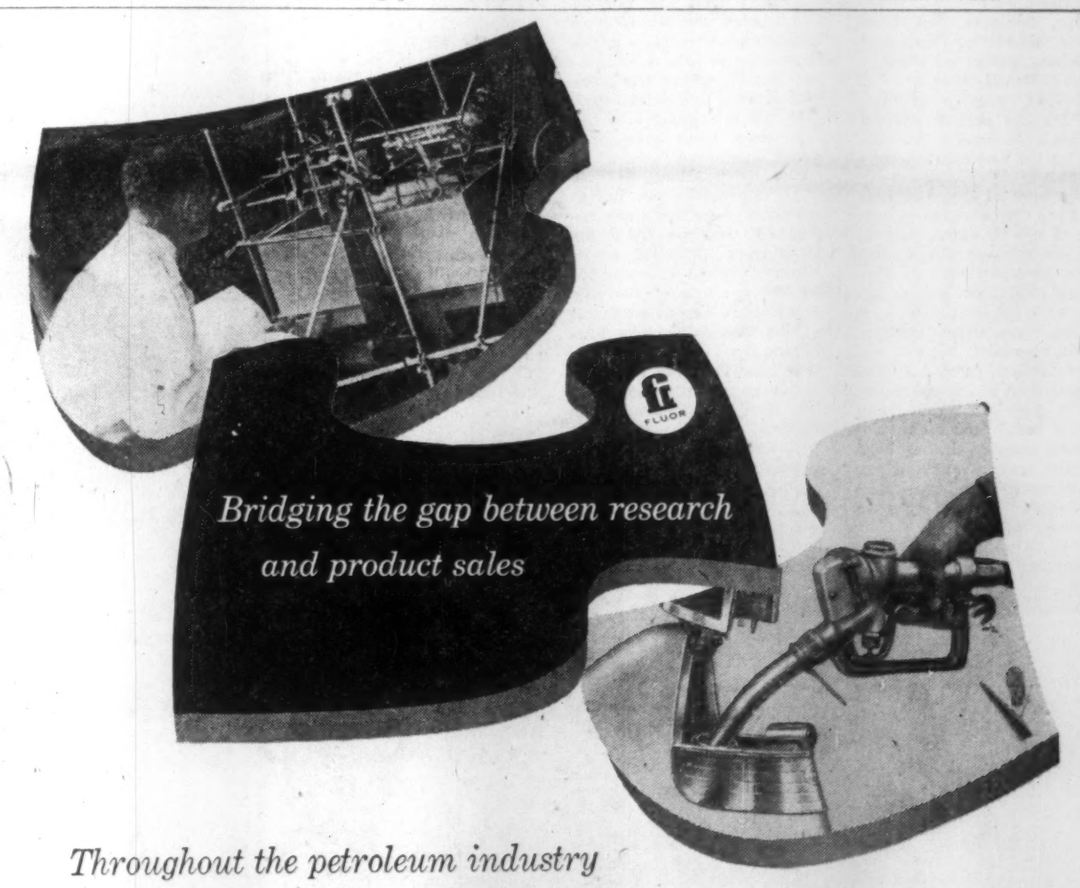

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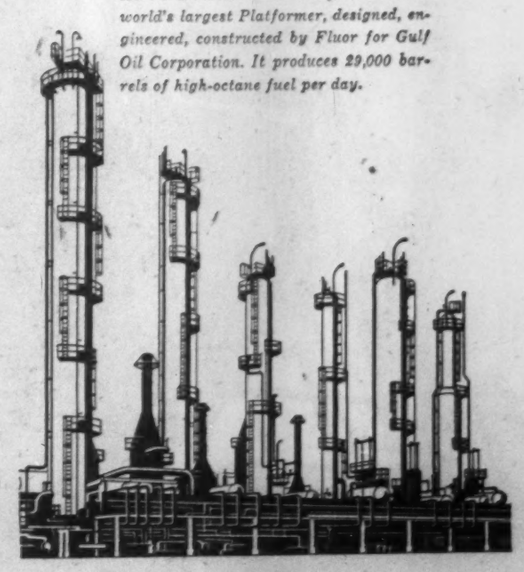

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Sask. Production

Record Year With New Gains

It can now be safely predicted that Saskatchewan's oil production in 1957 will reach no less than 36 million bbls. and probably more.

Entering the year with production of about 81,000 b/d, the province passed the 100,000 bbl. mark in June and reached about 106,000 b/d in August.

The cumulative figure for the eight months to the end of August was 22,787,871 barrels, which compared with 21,077,371 for the whole of 1956.

August production set a new record of 3,309,273 bbls. That is the last month for which official figures are available but it is known that production has been rising since that time and by the first of November reached an estimated daily figure in the neighborhood of 115,000 bbls.

A cutback of 8,000 b/d for the last half of November has resulted from a delay in getting **Imperial Oil's** Winnipeg refinery back on stream after its annual shutdown for maintenance and cleanup.

But in spite of this 120,000 bbl. loss, production for the last four months of the year should substantially exceed 13 million bbls.

Translating these results into dollars, the gross value of crude production to the end of August was $48,353,670, which was about 2½ times the value of production for the same period in 1956.

On the basis of 36 million bbl. estimated production for 1957 gross value would be around $67 million.

These values, of course, are before royalties and operating expenses. Royalties were increased last spring and operating expenses have also risen.

This, however, has been partly offset by increased well-head prices for crude.

Mostly Sour

Medium gravity production for the period was 8.6 million bbls. against 6.1 million for the first eight months of 1956.

The bulk of this was sour oil from the southwest corner of the province, including the fields extending for about 35 miles south of Fosterton to Dollard and as far east as Gull Lake.

The remaining medium crude, also fairly high in sulphur content, came from the Midale field in the southeast.

The year 1957 has been one of rapid development of proven acreage. It has been largely concentrated in the southeast with the Steelman-Kingsford field leading in point of activity.

This large field has been virtually drilled out and now has more than 450 wells producing from the Mississippian formation.

Up to the end of September throughout the province 812 development wells were drilled, as against 757 in the same period of 1956. In the same period 315 exploratory wells were drilled as against 340 in the like 1956 period.

There were several important wildcat discoveries made during the present year, to which were added numerous successes in field extensions. This, together with development drilling of known reserves, resulted in largely increased production.

The light oil in the southeast is fairly sweet, averaging about .9% sulphur which, however, is higher than the .65% maximum acceptable in eastern refineries.

The oil has to be blended with sweet Alberta crude in the pipeline run to the east.

With proven acreage being rapidly drilled out, operators now find themselves facing an important issue, the reappraisal of their acreage. This has become necessary for two reasons:

(1) Freehold acreage, which is concentrated in the southeast, was leased mainly in the years 1949 and 1950 for a period of 10 years.

Must Decide

This means that in the years 1959 and 1960 operators must make decisions about the final disposition of acreage on which either no drilling has been done or on which production has not yet been obtained.

They must either drill it, drop it, or renew their leases. Generally speaking, renewals will cost operators much more per acre than did the original leases.

(2) There is a reasonable possibility that oil will be found below the Mississipian formation, particularly in the south central and southeastern sectors, where the freehold acreage is concentrated.

In the last quarter of the year deep tests have produced significant "shows" of oil in two locations.

An important show has at the time of writing been reported by **Imperial Oil** in the Ordovician formation at its Hummingbird 6-13 test about 24 miles south of Radville and about 25 miles northeast of the Amerada wells producing from the same formation near Outlook, Montana, about eight miles south of the Montana - Saskatchewan border.

Amerada has drilled six producing wells in the Ordovician and is recovering 39 deg. sweet oil in substantial quantity.

There are currently five rigs drilling in the area and, of course, interesting possibilities of a field being developed.

The other deep test, now abandoned, was drilled by **Mobil Oil** about nine miles north and slightly west of Redvers in the southwest corner of the province.

Many operators have been busy during the year, including the pioneer Tidewater and Sohio group, but four of them head the list in point of exploration and development.

These are **British American Oil,** Imperial Oil, Mobil Oil and **Shell Oil.**

It has been a big year for British American. At the end of September it had participated in, or had an interest in 140 development well completions, for a net well count of 95.25.

It had also participated in, or had an interest in drilling of 20 wildcat wells for a net well count of 17.25.

During the nine months the company's net production before royalty was 1,830,023 bbl., an increase of 23% over its total net production in 1956.

The company now has 168 net wells capable of producing.

126 Wells

Imperial Oil has drilled 126 wells this year, to the middle of November. Of these, 53 were exploratory tests and 73 were development wells.

Two of the exploratory wells have been deep tests in the south central area. In the Steelman field 24 wells were drilled, seven in the Oxbow, seven in the Weyburn and six in the Florence field. The rest were scattered through the province, but mainly in the southeast.

Shell Oil has drilled about 75 wells, of which 10 were exploratory tests. It drilled 20 in the Weyburn, 14 in the Carnduff, 13 in the Midale and eight in the Steelman field. The rest of the wells were scattered through the province.

Mobil Oil has chalked up an impressive total of 82 wells drilled, of which 20 were wildcats scattered through the southeast and the southwest and also included two in the Prince Albert area of the north.

Drilling was concentrated mainly in the Weyburn area where 30 wells were completed; 10 were drilled in the Alida-Nottingham area and 10 in the Florence-Carnduff area.

Seven were drilled in the Swift Current area, and the remainder in the Success-Fosterton field.

Outstanding amongst the smaller companies active in the province was **Canadian Devonian Petroleums, Ltd.** Regina, which up to the end of September had drilled 50 development wells in the Steelman field in partnership with the British American Oil.*

Of these, 47 were completed as producers and three abandoned as non-commercial.

Big Interest

Canadian Devonian now has an interest in 189 producing wells, equivalent to a wholly-owned interest in 94.89 wells.

Another company active in Saskatchewan this year is Central-Del Rio Oils, which has concentrated its drilling in the Weyburn field, whose productive limits have not yet been determined.

In Burke county, North Dakota, across the line from the Pinto well mentioned above, this company's wholly-owned subsidiary is operating two drilling rigs.

Central-Del Rio now has a major working interest in 65 oil wells in Saskatchewan.

There has been considerable geophysical work done during the year. Much of this has been concentrated in the south central part of the province.

Imperial Oil has been active on extensive acreage west of Weyburn and south to the border area.

Canadian Devonian conducted a seismic survey during the summer on crown permits involving about 69,440 acres located west of the Weyburn field.

Results of this survey are now being studied in preparation for drilling.

Fewer Surveys

Geophysical work in the province declined moderately during the year. Up to the end of September surveys occupied 202 crew months, as compared with 229 for the same period of 1956.

Producers of medium gravity oil are not affected by the world market picture.

There has been an increased demand in the St. Paul refinery area for this product and as a result there has been an increase in activity in the west central area of the province — particularly in the Smiley-Coleville field.

Increased U. S. refinery capacity will take considerably larger quantities of this oil next year. It is now flowing at the rate of about 41,500 barrels daily to refineries in St. Paul, St. Paul Park, Minnesota, and Duluth, Wisconsin.

In the Lloydminster area available refinery capacity exercises much tighter control on production. The heavy asphaltic oil produced there is processed mainly by **Husky Oil's** 12,500-bbl. capacity refinery nearby.

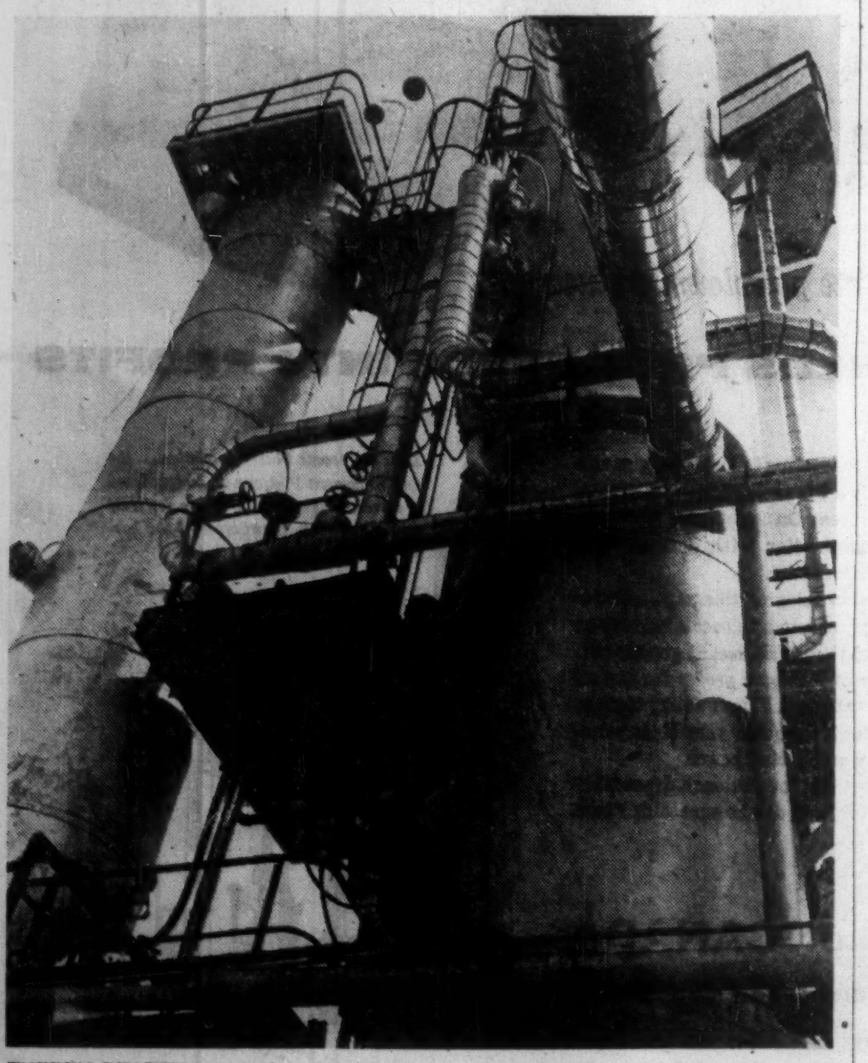
Has Advantage

Marketwise, Saskatchewan oil has a decided advantage over Alberta oil moving eastward, because of its much shorter pipeline run to Winnipeg and eastern Canadian refineries.

At Sarnia, for example, it has roughly a five-cent advantage over Alberta crude.

This means that Saskatchewan oil, production of which is not prorated except in one small field, moves out ahead of Alberta's and this has resulted in loud complaints in that province — particularly amongst small, independent producers who have little or no production in this province.

Offsetting this to some extent is the fact that Saskatchewan's light crude averages about .9% sulphur which is above the .65% refinery requirements in the east (except for the very large ones).



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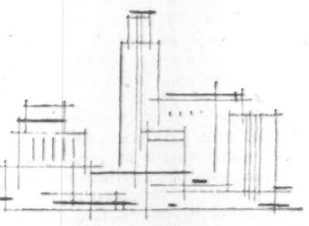

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Alberta's Oil Future

Planning Ahead Despite Output Drop

Despite the severe crude oil marketing problems that have been harassing it the past several months, Alberta's petroleum and natural gas industry is eagerly mapping out its plans for the future.

The assumption is that these difficulties are of a temporary nature and that opportunities for the industry will again increase rapidly toward new all-time record proportions.

A particularly bright future is anticipated for Alberta's vast reserves of natural gas, now proven in the volume of 22 trillion cu. ft. and expected to ultimately reach around 75 trillion cu. ft. as continued drilling reveals new reserves.

Firm expectations are that the next several years will see a succession of new all-time records established for the profitable production and marketing of natural gas by Alberta as growing export markets are served.

And while petroleum production in the foothills province this year was curtailed at times to as low as 40% of its potential daily capacity, 1957 is going into the records as the second biggest year for the province's petroleum industry — second only to the spectacular year of 1956.

While Alberta's oil marketing problems first developed last spring, it was not until the fall that their impact made a pronounced impression, reducing exploration work and drilling operations.

In more recent days, however, demand for Alberta's crude oil has been rising slowly and to take advantage of natural conditions petroleum companies have been intensifying their activities in the promising muskeg and swamp country of northwestern Alberta.

Crude Production

According to official estimates Alberta's crude oil production this year will probably amount to around 138 million bbls., compared with the province's all-time record of 143,909,641 bbls. in 1956 and with 113,035,046 barrels in 1955.

This year's production will have a field value of approximately $340 million.

Not including natural gasoline or condensate production, Alberta's cumulative petroleum production by the end of this year will be in the neighborhood of 810 million bbls., and this crude oil production is valued at more than $1.6 billion.

By the end of this year Alberta will have approximately 8,200 wells able to produce oil and 1,360 gas producers, these totals including 830 oil wells and 140 gas wells drilled during 1957.

Due almost entirely to the fact that petroleum companies were discouraged in drilling for additional oil when they already could not market anything resembling their potential daily production, the footage of wells drilled in Alberta this year declined to about 7 million (10,093,579 feet in 1956 and 8,444,578 ft. in 1955).

How seriously the crude oil marketing situation affected drilling operations in Alberta may be appreciated from the fact that only 129 drilling rigs were in operation in the province the other day, compared with 160 on the same day in 1956.

However, increasing activity in northern Alberta will see more drilling rigs in operation before the year ends.

As a result of this year's operations, Alberta's potential daily capacity has been increased to around 800,000 bbls. — which is just slightly more than Canada's daily consumption.

However, because of marketing problems, the highest daily production this year has been short of 450,000 bbls. and has gone to as low as a quarter-million.

Anxious to relieve the marketing problems, Alberta's petroleum industry and provincial government have been seeking favorable action from federal authorities of both Canada and the U. S.

The major objective is a larger share of the crude oil market in the western U. S. for Alberta petroleum.

The importance of expanding the market for Alberta's crude oil to at least something resembling 400,000 b/d is reflected by the fact that Premier E. C. Manning himself has been making personal representations directly to Prime Minister Diefenbaker and his cabinet.

Premier Manning's administration and the province generally have an enormous stake in Alberta's petroleum industry, the province owning about 90% of the mineral rights in Alberta and deriving spectacular revenues from petroleum and natural gas.

At the present time royalties are bringing the Alberta government about $3 million a month, and rentals about $2 million monthly.

In its 1956-57 fiscal year, the Alberta government received $67,531,659 from the sale of oil and gas reserve leases and reservations, an increase of $22,531,659 from the previous year; and $58,797,058 from oil and gas fees, rentals and royalties, an increase of $19,297,058.

In the first six months of the current fiscal year, the Alberta government's revenue from oil and gas amounted to $73,790,397, compared with $71,222,510 for the corresponding period of the previous fiscal year.

This revenue for the latter half of the year now is expected to show a drastic reduction.

However, the decline will be cushioned to some extent by increasing royalties from natural gas being exported to British Columbia and now eastwards as far as Winnipeg.

Exciting new oil discoveries this year, particularly in the northwestern section of the province, has helped to take some of the edge off the marketing disappointments.

The Swan Hills area has provided the most important Canadian discoveries of the year and may provide a field or series of fields to rival the Alberta discoveries in the period 1947 to 1951.

Wells at Virginia Hills, Edith Lake, Kaybob and Iosegan all have encountered rich pay sections of high-grade oil.

On its first production test, under a restricted choke, the Home Oil Co.'s Edith Lake wildcat discovery well, located about 45 miles south of Lesser Slave Lake, tested at a rate of 1,392 b/d with a gas/oil ratio of 560 cu. ft. of gas per bbl.

The gravity of the crude was reported to be 39.5 degrees.

Important new successes also have been reported from the Red Earth Creek region, located 210 miles north-northwest of Edmonton.

Northern Areas

Alberta's petroleum industry is excited over the discoveries and potentialities in the northern areas of the province and already serious thought is being given to the need for pipelines to bring the new production southwards.

Tentative plans are being made for these vital pipelines from the northern areas.

Because of the difficulty of operating in the northern muskeg country during the warm months of the year, large-scale development has been postponed until the ground is frozen and hauling and work of every description in the fields is simplified.

Now exploration work is gathering momentum in northern Alberta. This will continue at a bristling pace throughout the precious winter season.

A dozen drilling rigs are being shipped into the new northern fields and will be used for development purposes throughout the winter.

After booming year after year since the famous Leduc discovery, Alberta's petroleum industry began to feel a sharp marketing pinch last spring. The province last December had attained its all-time peak production of 447,896 b/d.

Much of that export demand for Alberta crude oil was to replace petroleum that had been coming from the Middle East before the Suez crisis and from Venezuela.

The higher tanker rates imposed on shipment by sea following the crisis gave Alberta's petroleum industry much-wanted opportunities.

Call for Oil

Even so late as last May, the call for Alberta oil amounted to 436,745 b/d. Then it began to slump as lower tanker rates brought Middle East and South American oil to the Pacific Coast of the United States more cheaply.

Alberta's petroleum industry also felt the impact of Saskatchewan doubling its crude oil production from 50,000 to 100,000 b/d. Every barrel of oil Saskatchewan produces means a barrel less is required from Alberta.

A further jolt came for Alberta when the Imperial Oil refinery near Vancouver became strike-bound in the fall and that plant did not require its substantial volume of crude from the foothills province. That plant had been absorbing 30,000 b/d of Alberta crude.

The former market for 60,000 b/d of Alberta crude in California has shrunk to zero, and Washington State also is requiring less from Alberta.

However, these difficulties are not expected to last long. Alberta's petroleum industry sees some reason for encouragement.

The Vancouver strike was settled last week. And likely increased tanker rates would improve Alberta's position in the Pacific Coast oil market.

Even more important, however, is the fact that current refinery expansions could boost the potential market for Canadian oil by around 200,000 b/d by 1960.

And Alberta can logically count on a substantial share of this additional market.

The Puget Sound area of Washington State, now being served with Alberta oil through the Trans Mountain Oil Pipeline, has scheduled a daily increase of 125,000 bbls. in refinery capacity.

Some signs of improvement for Alberta's petroleum industry are shown by the nominations for petroleum for December. The requisitions for Alberta oil during the month amount to 298,992 b/d.

Comprising this total are: Alberta, 52,815 b/d; Saskatchewan, Manitoba and Ontario, 140,756; British Columbia, 29,050; Washington State, 56,661; Minnesota, 10,000; Wisconsin, 4,839; Michigan, 4,646; and Montana, 225.

Among the important developments in Alberta's petroleum industry this year has been the increasing attention given the Athabasca oil sands in the northeastern section of the province.

Sufficient progress has now been made that officials of various companies planning to develop the oil-bearing sands have projected their future plans to include a pipeline to Edmonton.

A notice of intention to apply for a pipeline permit already has been filed with Alberta government officials.

Big Question

The big question on the natural gas front today is:

"Where do we now stand on the export of Alberta gas from Canada?"

Until recently the feeling in Alberta's natural gas industry was that the previous federal administration had generally committed itself to some gas export proposals and that there would be no repudiation of the promises.

Hopefully assuming that the Canadian Government will favor the export of surplus natural gas from Alberta into new U. S. projects, several large companies now are advancing plans to intensify their search for new gas reserves in the foothills province.

Early in October, natural gas from the Peace River district of Alberta and British Columbia began going to Vancouver and the Pacific Northwestern U. S. through the pipeline just completed for Westcoast Transmission Co.

New Era

That and the beginning of operations of the western section of Trans-Canada pipeline marked a new era for Alberta's gas producers. At long last they were beginning to pay off on enormous investments.

The 34-in. pipeline eastwards was completed to Winnipeg in time to go into operation that far for this entire winter.

Expectations are that before the end of this year the pipeline will be completed to carry Alberta gas to the Lakehead, and plans call for Alberta gas to be reaching Toronto and Montreal next fall.

The Bindloss, Cessford, Atlee and Provost gas fields in eastern Alberta were connected by Alberta Gas Trunk Line this year to supply gas for transmission eastwards.

Plans now call for the provincial gas-gathering system to tap the Pincher Creek, Nevis and Rimbey fields, and later to pick up mainly flare gas from the crude oil-producing fields in the Edmonton territory.

The huge Pincher Creek wet-gas field is to be connected to provincial gas-gathering network next summer and ultimately will supply one-third of the gas needed for the Trans-Canada pipeline.

Meanwhile, however, Alberta's growing proven reserves of natural gas have produced a rash of plans for new pipelines — all of which hinge on the export of gas to U. S. markets.

General expectations are that Westcoast Transmission will require increased transmission capacity from the Peace River region to Vancouver and the U. S. within a few years. The same company is also proposing a new gas pipeline that will carry gas from producers in the Savanna Creek area, the East Calgary area and other sections having surplus gas to southeastern British Columbia and the Pacific Northwestern U. S.

The pipeline would enter the neighboring republic in the State of Idaho.

25-Year Plan

This proposal would involve the removal from Alberta of one trillion, 300 billion cu. ft. of gas during a period of not less than 25 years, at a rate of not more than 55 billion cu. ft. in any one year, nor more than 170 million cu. ft. in any one day.

The necessary pipeline would go through the Crow's Nest Pass, where a sulphur plant would be established.

Another project that has been mapped out and for which permission is being sought is that of the Alberta and Southern Gas Co.

This ambitious project would export 450 million cu. ft. of gas daily from Alberta to California through a 1,300-mile pipeline expected to cost $330 million.

As in the case of all pipelines taking gas from Alberta, this one would pick up its gas on an Alberta border.

Consumers' Gas Company matches its expansion program with this "package" of Bell Telephone Communications Services

Conversion to natural gas, construction of new pipe lines, rapid growth of consumer demand — all are part of this Toronto utility's big and busy program. And Bell Telephone's specialized communications are helping it along in three strategic ways:

Bell 2-way Radiophone speeds laying of pipe lines, conversion of equipment by providing instant contact between despatcher and the 81 vehicles at work on these jobs.

Bell Telemetering channels transmit information to and from this control centre shown above, operating the regulators and valves that handle the flow of gas into and through most parts of metropolitan Toronto.

A new dial PBX system facilitates the handling of a greatly increased volume of calls. Shown here is part of the special customer contact service which required 24 positions of special answering equipment.

Bell Telephone offers you the newest developments, the most advanced techniques in all aspects of modern business communication. *You pay only for service:* no capital outlay, no problems of maintenance, depreciation or obsolescence. Have Bell's specialists go into *all* your communication needs, without cost or obligation.

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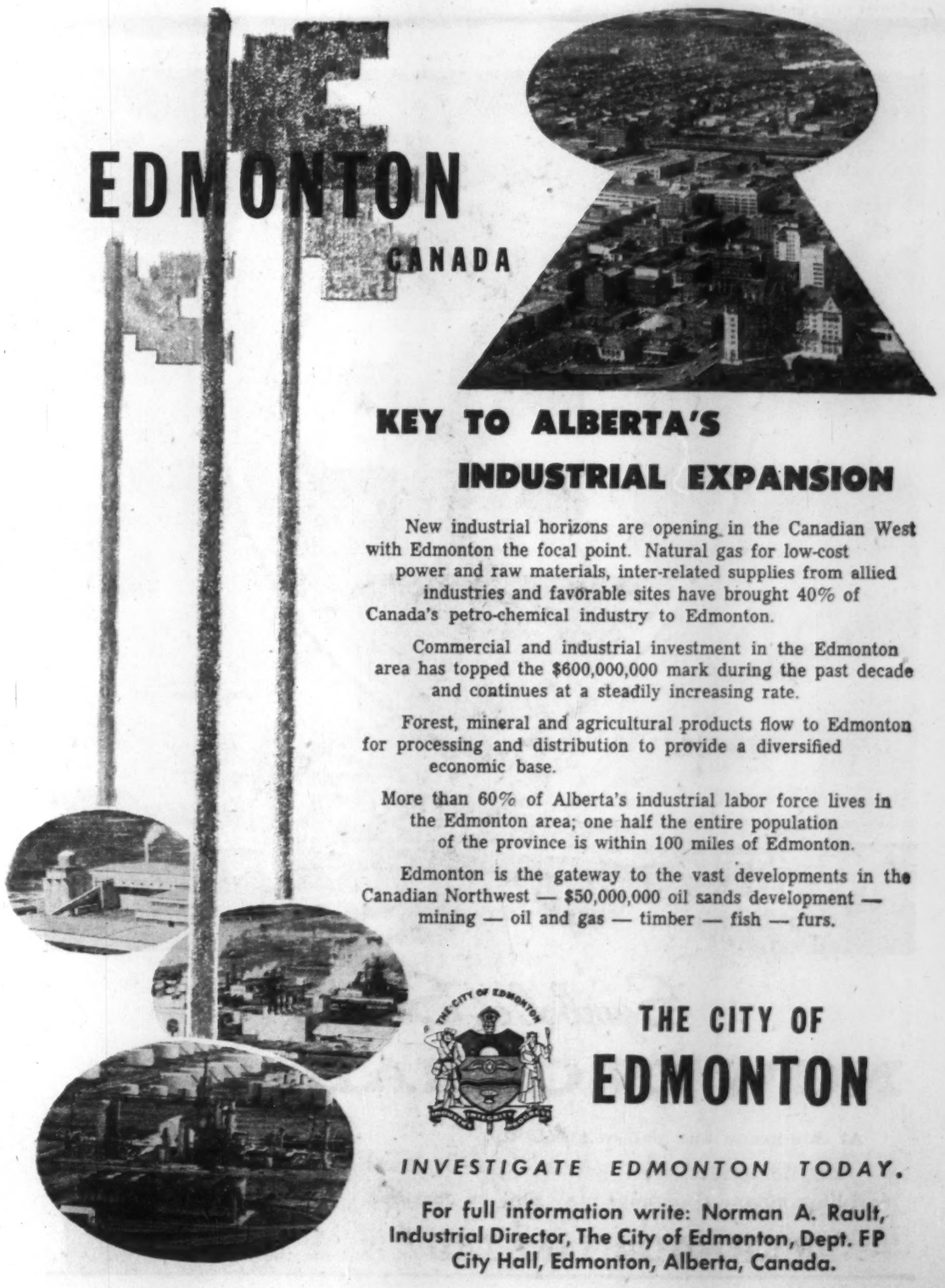

KEY TO ALBERTA'S INDUSTRIAL EXPANSION

New industrial horizons are opening in the Canadian West with Edmonton the focal point. Natural gas for low-cost power and raw materials, inter-related supplies from allied industries and favorable sites have brought 40% of Canada's petro-chemical industry to Edmonton.

Commercial and industrial investment in the Edmonton area has topped the $600,000,000 mark during the past decade and continues at a steadily increasing rate.

Forest, mineral and agricultural products flow to Edmonton for processing and distribution to provide a diversified economic base.

More than 60% of Alberta's industrial labor force lives in the Edmonton area; one half the entire population of the province is within 100 miles of Edmonton.

Edmonton is the gateway to the vast developments in the Canadian Northwest — $50,000,000 oil sands development — mining — oil and gas — timber — fish — furs.

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Moderate Gains

Manitoba Production Holding

Manitoba's oil industry in 1957 has not made the spectacular gains over last year which 1956 recorded over 1955.

Unless new substantial pools are discovered prospects are that production may continue comparatively static for an indefinite period.

For the first nine months this year crude oil yields have shown only moderate gains over the same period last year.

A production of six million bbls. forecast for 1956 was not reached.

It probably will be this year but with little to spare. Monthly production in 1957 has eased along at a near uniform pace as it did in 1956. Up to end of September total production in 1957 was 4,553,081 bbls. For the same time in 1956 it was 4,265,829.

If restrictions on production allowables are held to present levels and provided there are no new discoveries this year has made plain Manitoba may be nearing its peak as an oil producer.

Although new producing wells have been brought in at a rate on a par with 1956, recoveries outside the boundaries of the major fields have been disappointing.

Practically all the new wells have been within limits of designated fields.

Nothing has happened to indicate there may be oil outside areas where it was known to exist nine months ago.

Wildcat drilling has not produced worthwhile discoveries. In the period since the province first found out it had oil in 1951, production for each year has been far greater than the preceding one.

The years 1956 and 1957 are the first two in which there has been little difference in volume of production. The picture is best illustrated by month-by-month production figures of the two years:

	1957	1956
Jan.	496,135	434,521
Feb.	462,807	429,537
March	518,757	493,857
April	473,996	422,300
May	487,165	483,735
June	509,001	475,578
July	541,181	506,908
Aug.	539,085	515,054
Sept.	524,954	519,339
Prod. for 9 months	4,553,081	4,265,829
Oct.	Not yet reported	530,129
Nov.		493,917
Dec.		495,642
		5,785,517

Apart from quantity the oil yielding area pattern of 1957 has been nearly identical with last year.

In both years what oil has been obtained has come from the same fields and in large measure from the same wells.

12 Fields

At end of September there were 12 designated oil fields in Manitoba.

No new ones were added in 1957 and none are likely to be by Dec. 31.

Three of these fields, Daly, Virden-Roselea and North Virden, all close to the town of Virden, have accounted for 91% of production in the first nine months of this year as they also did for all of 1957.

Of the 4,553,081-bbls. production in 1957 up to Sept. 30, the Daly field, where the first commercial recovery was made in 1951 and which was the first one designated as a field, accounted for 788,213 bbls.

Virden-Roselea produced 1,601,461 and North Virden 1,760,168, a total of 4,144,822 for the three.

The Daly field which for more than three years was by far the biggest producer is now running a bad third with its wells yielding less than half of either of the other two.

Its changed relative position has become more noticeable in 1957 and is likely to be further emphasized in 1958.

From time of the first recovery in 1951 geological data was as definite as it could be that Manitoba's oil bearing area was probably confined to about 3,000 sq. miles in the west of the province, extending from the international boundary about 60 miles north along the Manitoba-Saskatchewan line and extending east an average of 50 miles in width.

Nothing has happened since to change this opinion. In fact what has happened seems to establish that within the limits of the 3,000 sq. miles the three fields previously mentioned may contain most of Manitoba's oil resources.

Certainly they have most of the producing wells and nearly all the paying ones.

For example, the production of 524,954 bbls. in Sept. 1957—a month in which average daily production of 17,498 bbls. was a record high—came from 744 wells and 668 were in these three fields, 177 in Daly, 258 in Virden-Roselea and 214 in North Virden.

Water Trouble

From the start these three fields have suffered least from water intrusion. In some of the smaller ones there has been a lot of trouble from watering in, a difficulty experienced in the latter part of 1955 and which has continued since in varying degrees.

Both this year and last several wells in these minor fields at first listed as producers, have been closed down because their producing rate was not profitable and did not justify installation of water disposal facilities.

Compared with these three major fields production in the smaller ones has been negligible. The picture is illustrated by the table of 1957 production figures up to Sept. 30 and the number of producing wells in each field:

	1957 Prod. Up to Sept. 30	No. of Prod. Wells in Sept.
Daly	788,213	177
Virden-Roselea	1,601,461	258
North Virden	1,760,168	214
Ebor	17,547	10
Lulu Lake	3,130	nil
Maples	57,918	11
Pierson	23,572	6
Routledge	143,250	31
Tilston	15,197	2
West Butler	13,294	5
Whitewater	16,982	6
Woodnorth	81,165	12
Other areas	31,184	12
	4,553,081	744

In spite of the disappointing 1957 results from wildcat drilling new producers for the first nine months have been brought in at a rate of close to one every two days.

The total number up to Sept. 30 was 120, in Jan. 13, Feb. 21, March 13, April 7, May 5, June 21, July 24, Aug. 10 and Sept. 6.

In part this has been offset by more abandonments. For example six new producers were added in September but in the same month 12 wells were abandoned.

Recoveries from some of them had never been large and with continued operation got to the point where production was no longer paying.

Some others of the 12 were producing in larger quantity but water-oil ratio was so high operation wasn't economical.

At Sept. 30 the province had 836 wells capable of production, a net increase of 100 wells in the nine-month period.

Of the 30-odd companies operating, **California Standard**, which was the leader in exploration work before it made the first commercial recovery in 1951, had 397 wells of which 341 are in the three major fields.

Major Producers

Other companies which have some of the good producers are **Imperial Oil, Sun Oil, Shell Oil, Canadian Superior Oil** of California, **British American, Souris Valley, and Amurex Oil** which has 14 of the 16 producers in the 640-acre townsite of Virden, which up to date have yielded about 500,000 bbls.

In the field and non-field areas there are a number of smaller companies, some of them local.

Since 1951 the industry has grown rapidly but the stage appears to have been reached when production may level off to between six and seven million bbls. a year.

The last two years are the only successive ones in which there hasn't been a big spread in production.

The year by year record is:

	Bbls.
1951 (year of first recovery)	11,655
1952	107,300
1953	656,000
1954	2,148,000
1955	4,145,000
1956	5,785,517
1957 (estimated)	6,100,000

How much recoverable oil there may be in Manitoba can only be estimated.

Varying figures have been given by geologists and technicians. One estimate in 1954 gave 53 million bbls. as the proven, semi-proven and possible recoverable supplies in the major fields, Daly, Virden-Roselea and North Virden.

Another early this year estimated 43 million in the same three fields, a figure which probably took into account the crude oil taken up to the time the estimate was made.

Another more recent one last April based on the 1954 report and developments which have taken place since, estimated total possible recoveries of 30 million bbls. from the Daly field, 40 million from Virden-Roselea, 30 million from North Virden, and 10 million from all other fields and non-fields, a total of 110 million.

At present rates and assuming the estimates are correct, the oil industry could continue at its present level for a period between 10 and 15 years.

Total production since the first recovery was made and up to Sept. 30 has been 17.5 million bbls. Present prices at the well-head in the most accessible fields which include the three large ones is $2.42 a bbl.

Production thus far has brought about 42.3 million dollars.

In most of the fields recoveries have been made at about the 2,300-ft. level.

The drilling cost has averaged about $35,000 a well. In addition to the present producers about 300 have been drilled which turned out either dry or proved uneconomical because of water intrusion, or else yielded negligible quantity of oil.

Total cost of drilling has probably been $39 or $40 million.

Not Interested

Exploration work however has kept up to about the level of last year but recent sales of lease rights on crown lands has indicated the oil companies are not keenly interested in areas outside present designated fields.

In late July the natural resources branch called for bids on 20,586 acres of crown lands in the Binscarth area in western Manitoba.

Only one was received from a Montana oilman whose tender contained no bonus offer for the acreage.

The conditions of his bid however called for drilling of three wells, a gamble involving expenditure of about $100,000.

In calling for bids the government for the first time adopted a partial version of the checkerboard system followed in Alberta and Saskatchewan for disposition of oil rights on crown lands.

Although Manitoba isn't in the fortunate position of the other western provinces because under-surface rights are held largely by private owners, this time it did reserve one quarter of each 640-acre section.

Trans - Prairie Pipelines which operates the gathering system in Manitoba oil fields and also in parts of Saskatchewan added 30 miles to its Manitoba network in 1957.

The system gathers and delivers the crude output from the three major fields and some of the small ones to the Interprovincial pipeline at Cromer.

The company at end of the year will have 107 miles of pipe with a delivery capacity of 23,500 bbls. per day.

In addition to its pipelines it has a truck terminal at Cromer with facilities for taking crude deliveries from wells not served by its pipe system.

In its Manitoba section, the company has an investment of approximately $1,600,000.

An addition to refinery capacity was made in 1957 by Imperial Oil Co. at its plant in Winnipeg's suburban East St. Paul which increased it from 13,000 bbls. per day to 17,500.

The 4,500 bbls. addition gave the province refinery facilities of 34,200 bbls. of crude per day.

The refinery of **North Star Oil Co.** can handle 12,000, **Radio Oil** in East Kildonan another 1,500, and the **Anglo-Canadian** refinery at Brandon 3,200.

With completion of the Manitoba section of the Trans-Canada Pipeline natural gas from Alberta came to Greater Winnipeg Sept. 30.

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NO MATTER HOW ROUGH THE WEATHER OR HOW TOUGH THE JOB, THE FAMOUS 'JEEP' EQUIPPED AS A SERVICE UNIT WITH WINCHES AND BOOM HAS THE POWER AND THE PULL TO PERFORM MOVING MIRACLES! THE WHOLE COMMUNITY BENEFITS WHEN THE 'JEEP' QUICKLY ANSWERS THE CALL TO FREE TRAPPED VEHICLES AND MOVE HEAVY OBJECTS. WILLY'S FAMOUS 4-WHEEL DRIVE WITH RUGGED POWER TAKE-OFF PROVES AGAIN AND AGAIN THAT WHERE THERE'S A WILLY'S 'JEEP' THERE'S A WAY.

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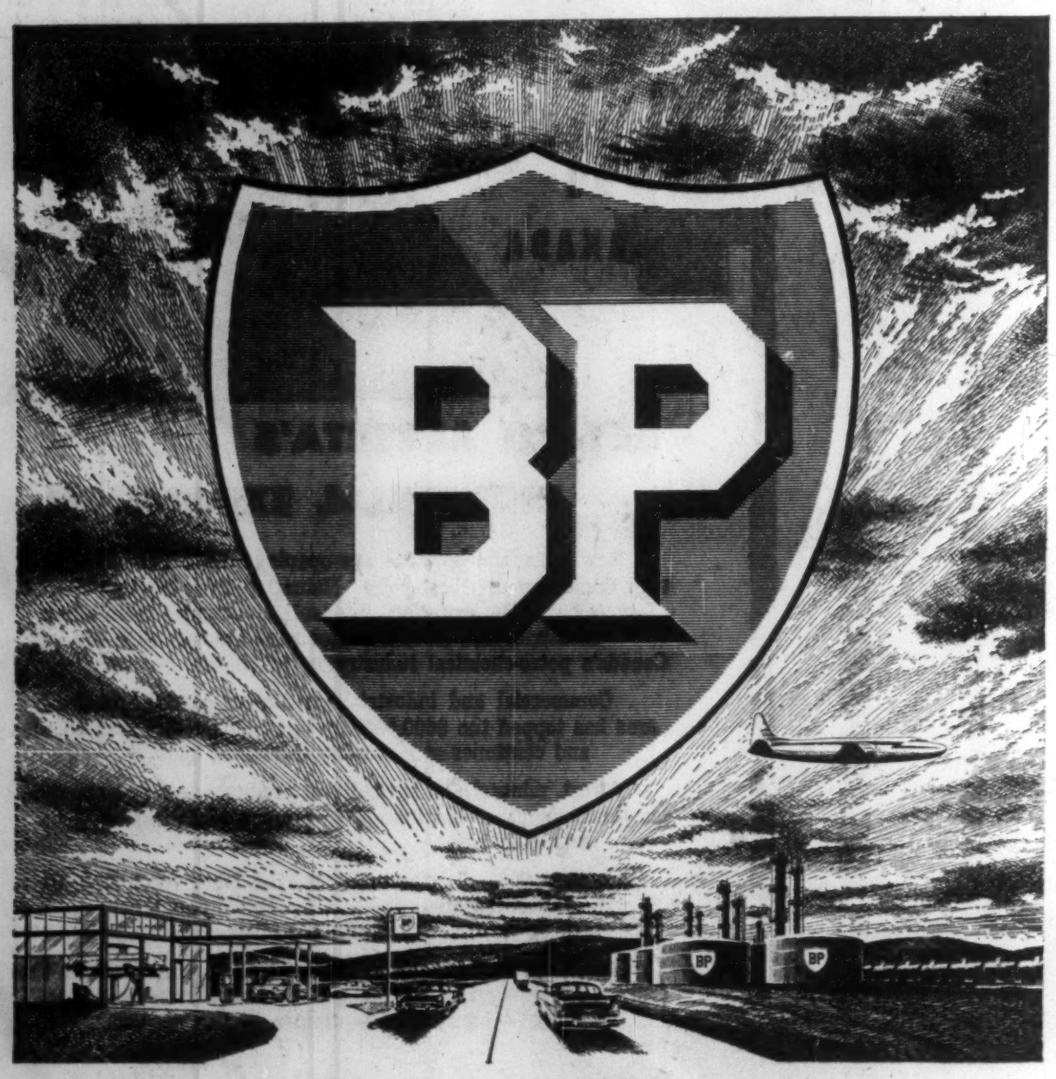

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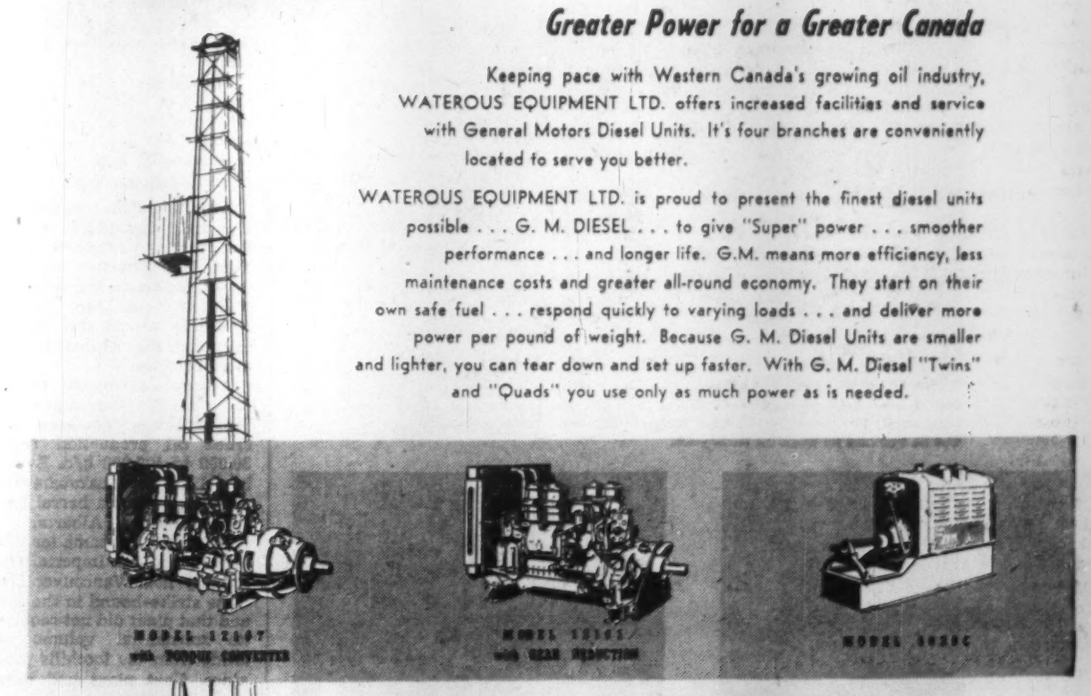

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Energy in Canada

Production, Consumption and Trade 1955 and 1980

	Coal[1]		Petroleum[2]		Natural Gas[3]		Natural Gas Liquids		Electricity[5]		Wood[6]	
	1955	1980	1955	1980	1950	1980	1955	1980	1955	1980	1955	1980
Production	15	20	354	3,000	190	3,000	6	274	81	430	7	3
Imports	20	49	341	500	11	..	3				..	..
Exports	0.6	5	44	1,600	13	1,000	nil	55[7]	nil	10[8]	..	..
Consumption	34	64	651	1,900	188	2,000	9	219	4	420	7	3

1 Coal, including lignite, in millions of short tons.
2 Petroleum, including refinery products, in thousands of barrels a day.
3 Natural gas in billions of cubic feet.
4 Natural gas liquids in thousands of barrels a day.
5 Electricity from all sources in billions of kilowatt-hours.
6 Wood in millions of cords.
7 Net movement out of Canada, i.e. exports minus imports — 55,000 bbl. a year in 1980.
8 Net movement out of Canada, i.e. exports minus imports — 10 billion kilowatt-hours per year in 1980, (i.e. about 2% of production.)

Gordon Expert Studies Canada's Energy Future

OTTAWA (Staff)—"Will you have it now or later, sir?"

More is involved than your coffee. This is the central question about Canada's policy on the export of energy.

It is the first question facing the new Royal Commission on Energy Policy headed by Henry Borden.

Export now, in the largest possible quantities, has powerful advocates. They include:

- Premier Bennett of B.C., who has advocated letting U. S. companies develop the hydro potential of the Upper Columbia, and pay B. C. in dollars.
- Most of the gas producers of Alberta, who are currently clamoring for larger export markets.

Export later, with a good deal more hard bargaining, also has strong and influential advocates.

They will find a lot of support in the Gordon Commission report on "Canadian Energy Prospects," which has just been released.

This study, prepared for the commission by a team led by John Davis, is Gordon's legacy to Borden.

It is the most comprehensive study yet made of Canada's complex energy picture; and it provides a new perspective on the advantages of export, and their limitations.

Here is the crux:

- **Production** of energy creates some wealth, certainly.
- But **consumption** of energy creates far more.
- It is not the countries, nor the regions, nor the provinces, nor the states which **produce** most energy that have the highest standard of living.
- It is those who put energy to work effectively who win most of the rewards.

"From this it follows," says the Davis report, "that Canada will benefit from the search for, and development of, its energy resources.

"But it will be even better off if a growing proportion of its supply of oil, coal, gas and hydro-electricity can be put to work at home."

Data from one country after another, says the report, confirm this:

"To be a producer is, doubtless, useful; to be an effective consumer of energy is far more important in the process of creating wealth."

The Evidence

Here is some of the evidence:

In the U. S. the states with the highest per capita income are those which use most energy. Delaware has the highest income per person. Texas is 30th out of the 48 states.

Of the four states with the highest per capita income, none ranks higher than 23rd as a producer of energy.

Of the six states which produce most energy, excepting only California, their ranks in terms of per capita incomes are 17th, 30th, 39th, 40th and 42nd.

In Canada Alberta comes top in both production and use. It produces 59% of Canada's total production of energy; and it also uses more energy per capita than any other province. In per capita personal income, it ranks third.

Obviously, from these figures, the best way to increase Canadian wealth is to put our energy sources to effective use at home so far as we can. This will add far more to national and regional wealth than producing energy for other people to use.

But it does not mean refusing to export energy which we cannot use in Canada now or in future.

How much energy does Canada need?

Three Times as Much

By 1980 Canada will use three times as much energy as in 1955.

This increase will come from:

- Three times as much oil.
- Eighteen times as much gas.
- Four times as much waterpower.
- Twice as much coal.

Nuclear power will provide, in 1980, about 2% of our total energy.

EXPORTS AND IMPORTS

As we achieve this increase, both exports and imports will rise. The report does not expect Canada to be self-sufficient in energy even by 1980.

Nearly all the extra natural gas and hydro power we need will come from Canadian sources.

The Atlantic region and much of Quebec will still import crude oil.

Extra coal will be imported, because more than half of the new demand will be for thermal power plants in southern Ontario.

In dollar value, this is how the Canada-U. S. balance will look:

Canadian exports of energy will have risen to nearly $2 billion per year, compared with $60 million in 1955.

Canadian imports of energy will rise to $1 billion annually, about double 1955's.

The trading account, then, should give us a favorable balance of about $1 billion per year by 1980.

But this surplus will only be about enough to cover dividend and interest payments, engineering services and imported equipment.

WHAT ABOUT GAS?

The immediate problem concerns natural gas. Export of waterpower is under discussion with the U. S. government.

Export of oil is threatened by U. S. policies, but no one in Canada wants to limit it.

The Davis report findings on oil are briefly summarized in another column: The rest of this page is concerned with gas.

A feeling of scepticism about Canadian benefits from rapid and large-scale export to the U. S., under present conditions, runs throughout the report.

It is illustrated by the passage quoted below describing the two export deals already made and the third still under discussion: All clearly imply that Canada has got the worst of each of these deals.

But here are other major points made about the rival claims of export and domestic use:

- Canada's domestic requirements for gas will rise to two trillion cu. ft. per year by 1980.

On the basis of reserves estimated to reach between 70 and 120 trillion by 1980, future Canadian supplies would be endangered, it is stated, if more than one trillion cu. ft. per year were committed to the U. S. on long-term contracts.

Only if gas exploration produces very favorable results in coming years, might exports to U. S. reach as much as Canada's domestic consumption of two trillion cu. ft.

- "By far the largest market" for Canadian gas is in southern Ontario and Quebec. It is also the earliest available market.

Export sales into the U. S. at Emerson, Man., will bring a smaller netback to the Alberta producers than sales to Canadian industries in northern Ontario and Quebec.

It will also be smaller than it might be from direct export from Alberta to the U. S. West Coast — though the report has reservations about that, too.

- The oft-discussed Canada-U. S. exchange of gas, under government sponsorship, just won't work. It may be superficially attractive, but is impossible.

"No one in Ontario and Quebec—least of all in heavy industry—could confidently plan for a steady sales increase based on U. S. gas."

- Every proposition for export into U. S. is apt to be tipped against the Canadian producers.

They are all "subject to terms imposed through the Federal Power Commission which are designed primarily to look after the best interests of the U. S. as consumers."

- Canada has been slow to wake up to its broader national interest in gas policy. Particularly, Canadians have not yet fully understood the effects of having the Canadian seller a subsidiary of the U. S. purchaser.

If export sales resulted from "arm's length bargaining between competing corporations" Canada would get a much better return.

U. S. discoveries are "showing signs of lagging behind consumption.

"In the absence of imports they may set an upper limit on the construction of new facilities for transportation and distribution.

"We must expect first a leveling off, and then a gradual decline, in the rates of oil and gas production in U. S. well before the end of the century."

More in Line

This is one of several reasons which leads the Davis study to conclude:

"In the 1960s and 1970s Canadian gas is likely to secure a return much more in line with its true competitive worth."

Elsewhere, it also holds out these forecasts:

- "The price of natural gas as reflected in new contracts at the field in Canada may approximately double in real terms over the next 25 years."
- Whereas Canada is now a high cost area for energy—paying up to 50% more than U. S. consumers — over the next 25 years the difference will level out.

By 1980 Canadians may be paying about the same as U. S. consumers—or at least very little more.

But this closing of the gap depends upon Canadian policy making the most of its resources.

OWNERSHIP OF CDN. GAS

Oil companies will be responsible for finding about two thirds of Canada's new gas.

They may sell it off to pipeline companies or distributors.

The major gas transporting companies will, anyway, spend their own money on exploration and development.

"Large corporations will be vying with each other for control of Canadian resources and pipeline franchises. It is doubtful whether many small or independent Canadian companies can participate in this play.

"It is only in respect to shorter lines destined primarily to serve Canadian consumers that a goodly measure of Canadian participation may be envisaged."

The marketing phase—that is the local distributing systems—will be split between Canadian and U. S.-controlled companies.

It will stay in Canadian hands in southern Ont., in Sask., and on the west coast of B. C.

U. S. interests will take a hand—often a controlling interest—in marketing gas in Alberta, Manitoba, northern Ontario and Quebec.

Total capital for investment is estimated at $4.8 billion annually by 1980.

The Davis report finds little reason for confidence in the export deals made, or negotiated, so far.

Its description of the three export markets discussed for Canadian gas gives an indication of the warning it conveys.

Here are the three crucial passages:

1. WESTCOAST TRANSMISSION

"The Canadian Westcoast line, as originally conceived, was to have serviced the entire needs of the Pacific Northwest (i.e. B. C., Washington and Oregon). Its economics were based on (a) obtaining a market price competitive with other fuels on the west coast and (b) the comparative nearness of the Canadian gas fields in the Peace River District.

By refusing its application and favoring a longer all-U. S. line, the U. S. Federal Power Commission allowed no alternative to the Canadian producers but to sell their gas as if it were competing in the next closest market, i.e. northern California.

In attempting to compete over this much greater distance the price at the International Boundary had to be cut back.

Also, in reaching a settlement with their erstwhile opposition, the Pacific Northwest Pipeline Company (who then became part owners of the Westcoast project), another condition was attached.

It was to the effect that the

(Continued on page 56)

Oil Outlook

Here is a quick summary of some of the Davis Report conclusions on oil:

U. S. import policy will largely determine whether Canadian crudes penetrate into Quebec in any volume.

Likeliest outcome: U. S. will not provide adequate export markets for the Canadian industry, and so Canadian oil will begin to move in some volume into Montreal about 1960.

But after 1965 expanding markets in U. S. will take up most of the increase in Canadian sales.

Production and sale in 1980: A range of three possibilities:

Case A: Annual output: 2.5 million bbls. per day. Export markets in U. S. Pacific Northwest and in north central states.

Case B: Annual output 3 million bbls. per day. Export to Pacific Northwest and San Francisco; north central states and Detroit-Toledo area.

Case C: Annual output 3.5 million bbls. per day. Exports to even wider U. S. markets. This is possible only if:

- Canadian discoveries keep up very favorably.
- U. S. demand grows at better than the 4% per year forecast.

Ownership: "The internationally owned and controlled firms will probably continue to dominate all phases of the oil industry in this country.

"Meanwhile most Canadian independents have little chance of becoming majors in the Canadian oil business during the next 20 to 30 years."

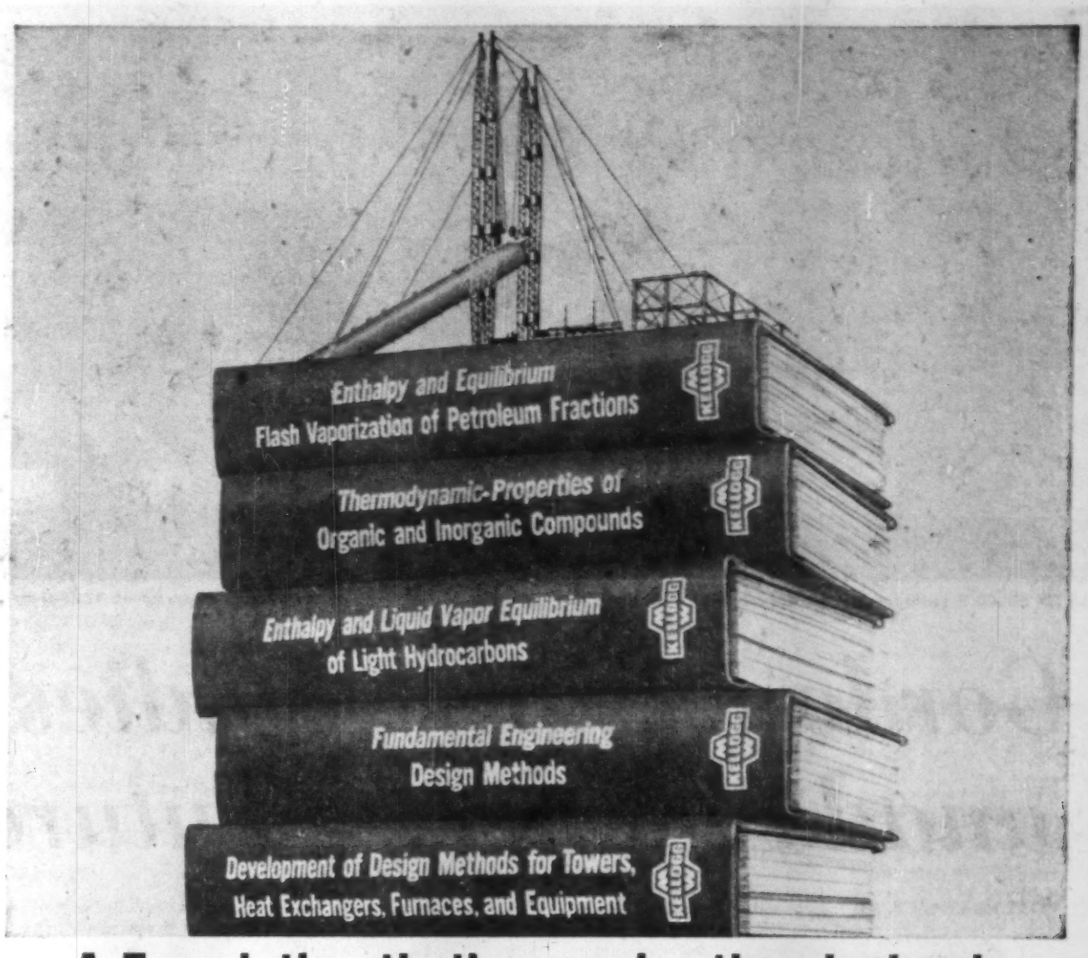
"Most Canadian money finding its way into the domestic oil business has gone toward the purchase of bonds" — because very few of the equities are offered for sale to Canadians.

Canadians will have even less chance to buy into the oil industry in the future, because retained earnings will provide more of the capital and there will be less need for new financing.

John Davis spent about 18 months as an assistant director of research for the Gordon Commission. He was also responsible for the recent report on the Chemical Industry.

Mr. Davis was in transition between federal government service in Ottawa and his present job with the **B.C. Power Corp.**

As associate director of the economics branch of the department of trade and commerce (or at one time of defense production), Mr. Davis was for many years practically the only civil service adviser to the government on energy questions.



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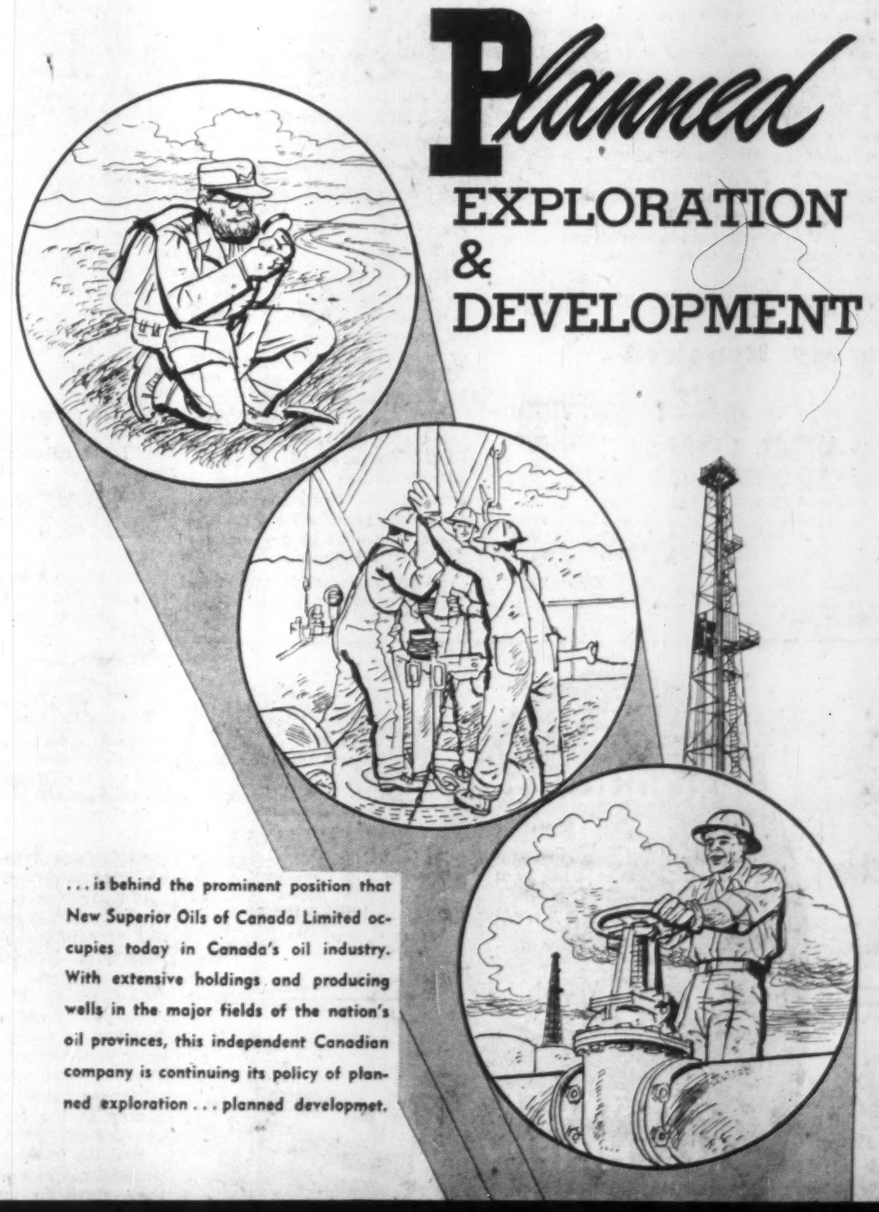

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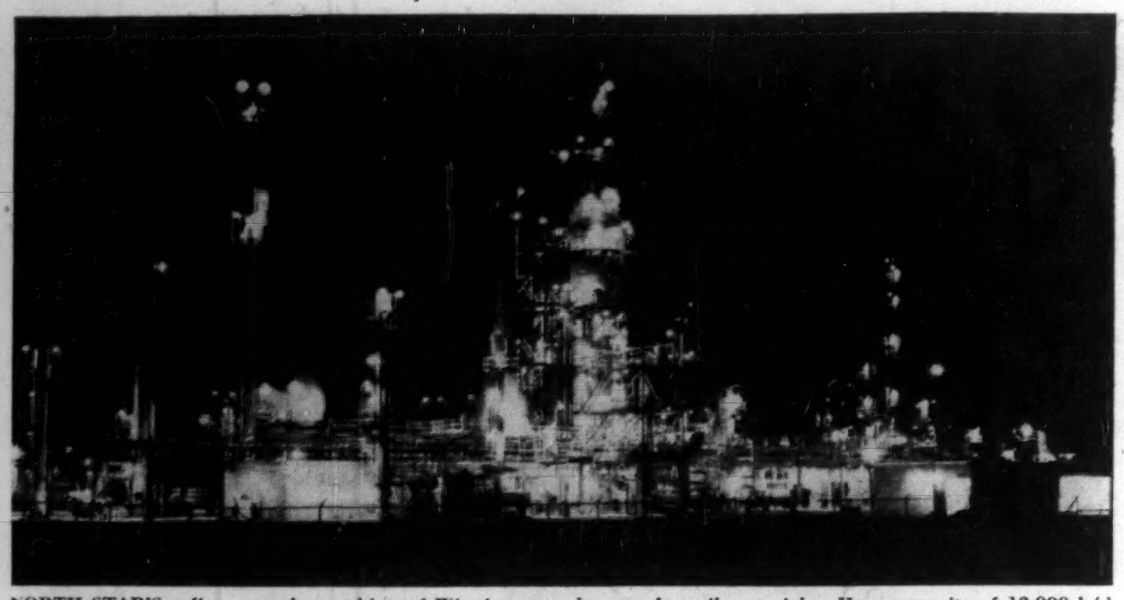


NORTH STAR'S refinery on the outskirts of Winnipeg can be seen for miles at night. Has a capacity of 12,000 b/d.

Gordon Expert Studies Canada's Energy Future

(CONTINUED FROM P. 55)

border price was to remain fixed over the full 20-year period of the contract; a stipulation unique in North American gas history.

Regardless of the manner in which a settlement was reached it now appears that this Canadian gas will, in effect, supply the needs of the Pacific Northwest.

It will be performing the same task as the proponents of the original Westcoast scheme intended it to perform. But it will be doing so at a price well below that which could have been secured had the Canadian fields been recognized from the outset as the logical (and only adequate) source of supply for this rapidly growing market.

Meanwhile, gas from the Four Corners region of New Mexico which temporarily is performing this function will soon be released for sale at more remunerative prices locally in the Rocky Mountain states, in Colorado and in California.

2. U. S. MIDDLE WEST

In the opinion of many oil and gas industry executives, the most logical eastward outlet for Canadian gas is the U. S. middle west. At least, they believe it to be a logical first stage market—one which could well have been served prior to the construction of a line extending on to southern Ontario and Quebec.

Being cheaper to construct (and because most of the distribution outlets already exist), it would (with governmental approval in Canada and the U. S.) have been much more amenable to private financing.

In volume terms, the potential for growth is considerable.

Exclusive of any allowance for supplementary sales in Michigan and Illinois, it is possible that sales of Canadian gas in this area of the U. S. might approach 150 billion cu. ft. annually by 1965.

Price considerations, on the other hand, are less enticing. The net-back from the border price at Emerson, Manitoba, is well below that which could be recovered from sales to industry in northern Ontario and Quebec.

(The starting large volume price to Trans-Canada at 95% load factor is 24.9c m.c.f. Over 25 years and allowing for price escalation it averages 27.5c mcf. Many large continuously operated industries in Ontario and Quebec pay more than 45c mcf. (equivalent) for their fuel.)

The net-back to Canadian fields is being squeezed and squeezed in similar fashion as it was with Westcoast.

In anticipation of a similar ruling from the U. S. Federal Power Commission, Canadian gas (from the Trans-Canada Line at the border south of Winnipeg) has been contracted at a price which takes into account the need to build a supplementary line northward into the Minnesota area from the U. S. gas fields in Texas.

Again, as a result of price setting at the point of entry, some part of the capital charges on this alternative U. S. supply line must be assumed by producers in this country.

The Canadian price is probably less than that which could be obtained by exporting Canadian gas westward from southern Alberta directly into the U. S. Pacific Northwest.

Nor is this situation likely to change rapidly for the better.

Many communities in the U. S. middle west have, for years been receiving gas from U. S. sources.

Much of this pipeline capacity (some of it built during the early 1930s) is already written off, and consequently, pays lower carrying charges than those which would have to be met by an entirely new line.

Historically, the field price of this U. S. gas has also been low. Contracted at levels considerably less than those currently being asked, they have resulted in a city gates price structure which can only be revised upward with difficulty.

Distributors and industries already served with natural gas, naturally enough, will resist this upward pressure on prices.

Though theirs would be little more than a delaying action, they can, through the medium of the state and Federal Power Commission's hearings, render the middle west market less attractive to Canadian producers than it might otherwise be.

Western Canadian gas is, of course, being offered in competition with the latest reserve dedications in the mid-continent area of Kansas, Oklahoma and Texas. The majority of these are in the 15c to 25c mcf. bracket; that is, substantially above the 3c to 4c level which was common in the major U. S. fields in the 1930s.

For this reason, the Canadian producers can expect a higher return than would have been the case a decade or so ago.

On the other hand, their gas must move farther to market. It must bear the full impact of present day financing and inflated construction costs.

Also, being of a supplementary character, a higher proportion may have to be dedicated to the lower priced industrial outlets (i.e. power generation, iron ore beneficiation, steel production etc.).

All these are reasons why sales of Canadian gas in the vicinity of Minneapolis-St. Paul may not be as attractive as geographical and other conditions might otherwise lead one to believe.

3. MONTANA

The situation with regard to exports into the State of Montana illustrates, perhaps in exaggerated fashion, the lack of awareness in this country both of the broader Canadian interest in these matters and the intricacies of parent - subsidiary trade spanning the International Boundary.

Though natural gas has long been in use, resources on the American side do not appear to be adequate to meet all the growth requirements of Montana, Idaho and the western Dakotas.

It is logical, therefore, that dry gas which is available a few miles away in southwestern Alberta should find an outlet there.

Its price, however, should be directly related to that charged for competing fuels.

Were this to be the case the net-back in Canada would be in line with some of the highest field prices charged anywhere in North America.

This, however, is not the case.

The Canadian subsidiary of the Montana Power Company has been permitted to charge its parent a price at the International Boundary comparable to that prevailing in other fields in Alberta.

Canadian gas, priced in this way, is being delivered at the Anaconda Smelter in Butte, Montana, at a cost to that company between one half and one third of that which it would otherwise have had to pay for energy in the form of coal or residual oil.

Had the forces of supply and demand been allowed free play, the return at the producing level would therefore have been higher and the profitability of the Canadian operations of the **Montana Power Company** would have approximated much more closely that of natural gas operations in similarly situated fields in the U. S.

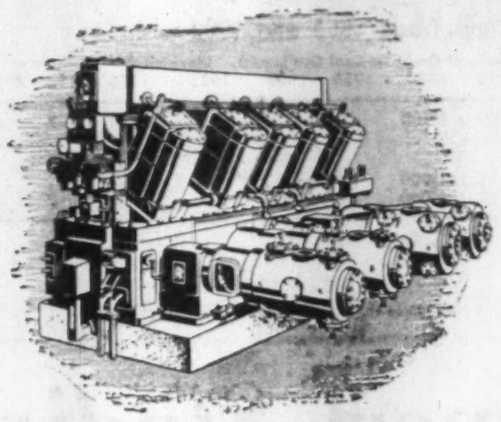
Leading Producers

Rank as Energy Producers	(% of Canadian Production)	Rank as Energy Users	Rank in Wealth*
1. Alberta	59%	1	3
2. Nova Scotia	10%	4	7
3. Quebec	8%	6	6
4. Saskatchewan	7%	7	5
5. Ontario	7%	2	1
6. B. C.	4%	3	2
7. Manitoba	3%	8	4
8. New Brunswick	8%	5	8
9. Newfoundland	0.2%	9	9
10. P.E.I.		10	10

*Per capita income.

Energy Required

Energy source	Volume	Millions of tons of coal equivalent	Percentage each source	Percentage in 1955
Coal	55 mil. tons	55	16	39
Petroleum	700 mil. bbl.	150	45	42
Natural gas	2,000 bil. cubic feet	75	22	4
Natural gas liquids	60 mil. bbl.	9	3	
Water power	300 bil. k.w.h.	38	11	8
Nuclear energy	43 bil. k.w.h.	6	2	nil
Wood	3 mil. cords	2	1	7
Total		335	100	100



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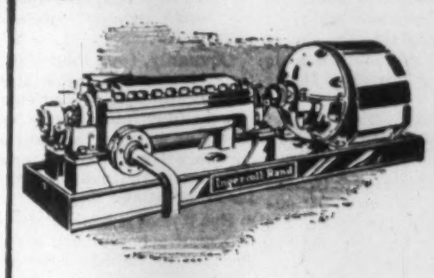

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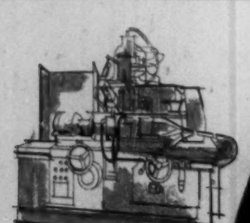

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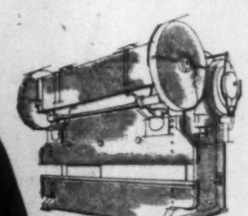

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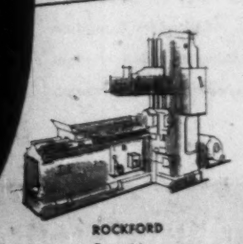

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EXPLORATION, PRODUCTION, REFINING, PIPELINES, NATURAL GAS, MARKETING

Mr. Ash Speaks on Canada's Oil

By W. M. V. ASH

The oil industry is at least five industries rolled into one.

- In exploration and production we are a mining industry.
- In transportation we are a trucking industry, a shipping industry, and of course we have our own peculiar system of transportation — the pipe lines.
- In refining we are a chemical industry, quite apart from petro-chemicals — an industry in itself.
- In marketing we have probably the largest retail system of any in the nation.

From 1947 to the first of 1957, the oil industry had spent $1.5 billion for exploration, including land acquisition and wildcat drilling, $1 billion for development drilling and production, and $1 billion for transportation, manufacturing and marketing facilities.

During the same period, the industry produced 750 million bbl. of oil and discovered 3.5 billion bbl. of oil. This oil is worth $1 to $2 per bbl.

To date our exploration and development have operated in the red. Nevertheless, the reserves give us confidence that we will eventually get our money back and be operating in the black. It is probable in fact that this year for the first time income for the year will be greater than expenditures.

During the last year, 786 wildcats were completed, resulting in 195 discoveries of one kind or another — or one in four. Of this number, 117 produced oil and 78 produced gas. We know from published statistics the average success of wildcat drilling in the U.S. is of the order of one in 10. Therefore we can conclude from the success ratio, Canada is a good area in which to prospect.

Now compare these discoveries in Canada with those made in the U.S. From our best estimates, which are probably conservative since it is difficult to relate reserves to the year of discovery, for every wildcat, successful and unsuccessful, drilled last year in Canada, the industry discovered 700,000 bbl. For every wildcat drilled in the U.S., the industry there discovered 300,000 bbl.

Put it another way — for every wildcat that was a discovery in Canada last year the industry found 4.4 million barrels of oil. This compares with a figure of 1.5 million bbl. per discovery in the U.S. during the same year.

For every foot of hole drilled, including wildcat and development drilling, the industry found 33 bbl. of oil in Canada as compared with 13 bbl. of oil in the U.S.

If we examine northern Alberta, only one wildcat has been drilled for every 700 sq. miles and in the Northwest Territories, farther removed, only one wildcat for every 7,000 sq. miles. In the southern foothills to the west where drilling is difficult and deep, only one wildcat for every 500 sq. miles has been drilled.

It would seem therefore that we have only started to find oil in Canada. In fact I would say we have over 90% of our exploration job still to do.

At the present time, the per capita use of energy in this country is one of the highest in the world. But it's certain the use of energy will increase steadily. In 1926, liquid petroleum and natural gas supplied some 12% of the total energy demand. By 1953, the oil industry was supplying 46% of the greatly enlarged demand.

W. M. V. ASH
President Shell Co. of Canada

Even though other energy sources will be used in the future, I don't think it unreasonable to expect the oil industry can supply up to 70% of the energy requirements of the nation. If we put these requirements in the form of quantities of finished petroleum products, we find during the past 10 years, 1946 to 1956, oil consumption increased from 100 million bbl. to 260 million bbl. or, in other words, multiplied 2½ times. Within the next 10 years, we expect this to increase steadily and by about 1965 Canada will be consuming some 500 million barrels of petroleum products or, in other words, 1.4 million barrels daily.

Big Markets

The industry will have a big market for its products in Canada alone.

I further estimate that by about 1965 our industry will be exporting approximately 400,000 bbl. per day of crude oil. By coincidence of timing, these figures place the crude requirements at 1.4 million barrels per day or exactly the consumption of Canada at that time. In other words, exports and imports will balance.

Now with that background we can turn to what I called earlier the problems that arise from bigness and internationality. May I list some of them first and offer some comments on each afterwards?

1. We cannot today sell as much oil as we produce. Alberta wells are shut in to less than their economic potential.

2. This is caused by a permanent condition plus some temporary ones — Canadian geography, plus this year's weather and the present slump in world tanker rates.

3. In the case of gas we could multiply many times the present production.

4. The job to be done is so tremendous, and the capital requirement so great, as to make it a mistake to look at non-Canadian sources with the bilious eye one finds in some quarters.

5. Equally mistaken is a taxation policy which places Canadian companies actually at a disadvantage versus those in the very countries whose investment we talk of cold shouldering.

6. Rather than the **source** of our capital what we should be worrying about as Canadians is the **management** of our enterprises, our shortage of professional personnel and how to help our schools and universities meet it. How also to stop the drain of professional men out of Canada.

Education Problems

First about the shortage of professional men I would say this—surely it is a problem at the high school as well as the university level. In high school comes the bending of the twig. If a boy is lost from the applied sciences at high school he'll never return to them at university — may never go to college at all.

This is industry's problem. Industry will gain most from its solution and industry has to take a lead in meeting it. As for the drain of professional men across the border, it seems to me that this also is primarily up to industry.

Turn now to taxation. At first sight oil taxation looks like a domestic matter. Actually it is all tied up with what may well be the greatest single factor in Canada's post-war economy — the change from an importer to an exporter of crude oil.

As an exporter we will only find **new markets** for our oil if our price is competitive with other world crudes. An element of price, in these days perhaps the most important element, is tax cost. Surely Canada as an exporter of oil must aim at a tax structure which is as fair to the oil producer as that framed by other oil exporting countries. Canada is not doing this — in fact one important feature of Canadian tax is discriminatory against the oil producer in this country as compared with his competitor elsewhere. This is in the matter of depletion allowances.

Not only is the **amount** of the U.S. depletion allowance more favorable than the Canadian but the Canadian allowance is an Indian gift. Firstly the Canadian allowance is only granted on the net income which is frequently so small, particularly in the early years, as to make the allowance rather academic. And second, because the Canadian allowance is only granted on the whole operation, losses on one property often outweigh the profit on another, thus again making the allowance an illusion.

Ploughing Back Money

The oil industry is classically one which ploughs back into the business an exceptionally high percentage of its earnings. In Canada probably over 60% of the gross income of producers is spent in exploration and development. After lifting costs including taxes, the proportion reinvested is over 85%. No other industry that I know of reinvests such a proportion of either gross or operating income, nor do I know of any other industry where the need for such reinvestment exists. The oil producer sells his capital with each barrel of sale, not purchased raw materials and labor. This is a fundamental distinction.

But my main argument for realistic tax treatment is to put Canadian oil on a more equal footing with foreign oil with which it has to compete. Particularly in the Puget Sound area Canadian oil must compete with U.S. production. In doing so it must absorb a 10.5c per barrel import duty. At the present moment it has to fight a disadvantage of about the same amount by reason of its own dollar's strength in terms of the U.S. dollar. Canadian wage rates are trending more and more toward equalization with U.S. rates. **Is it not reasonable therefore to plead for a tax treatment for the Canadian producer at least similar to that enjoyed by his U.S. competitor?**

Since 1947 the rate of new capital investment in all phases of the oil industry in Canada has climbed over 45 times from $1 million **monthly** to over $1.5 million **per day.**

Over the next 10 years a total new capital investment of at least 8 billion dollars will be needed by the oil business in all departments. In the face of such a staggering requirement I said earlier it was a mistake to look askance at foreign capital. In a program of that size Canada **cannot** go it alone.

And so it is with gas. Natural gas deserves the adjective "big" even more perhaps than oil. In western Canada today we have found already about 24 trillion cu. ft. of natural gas. If you agree that 90% of western Canada's oil still remains to be discovered, and if you ac-

(Continued on page 58)

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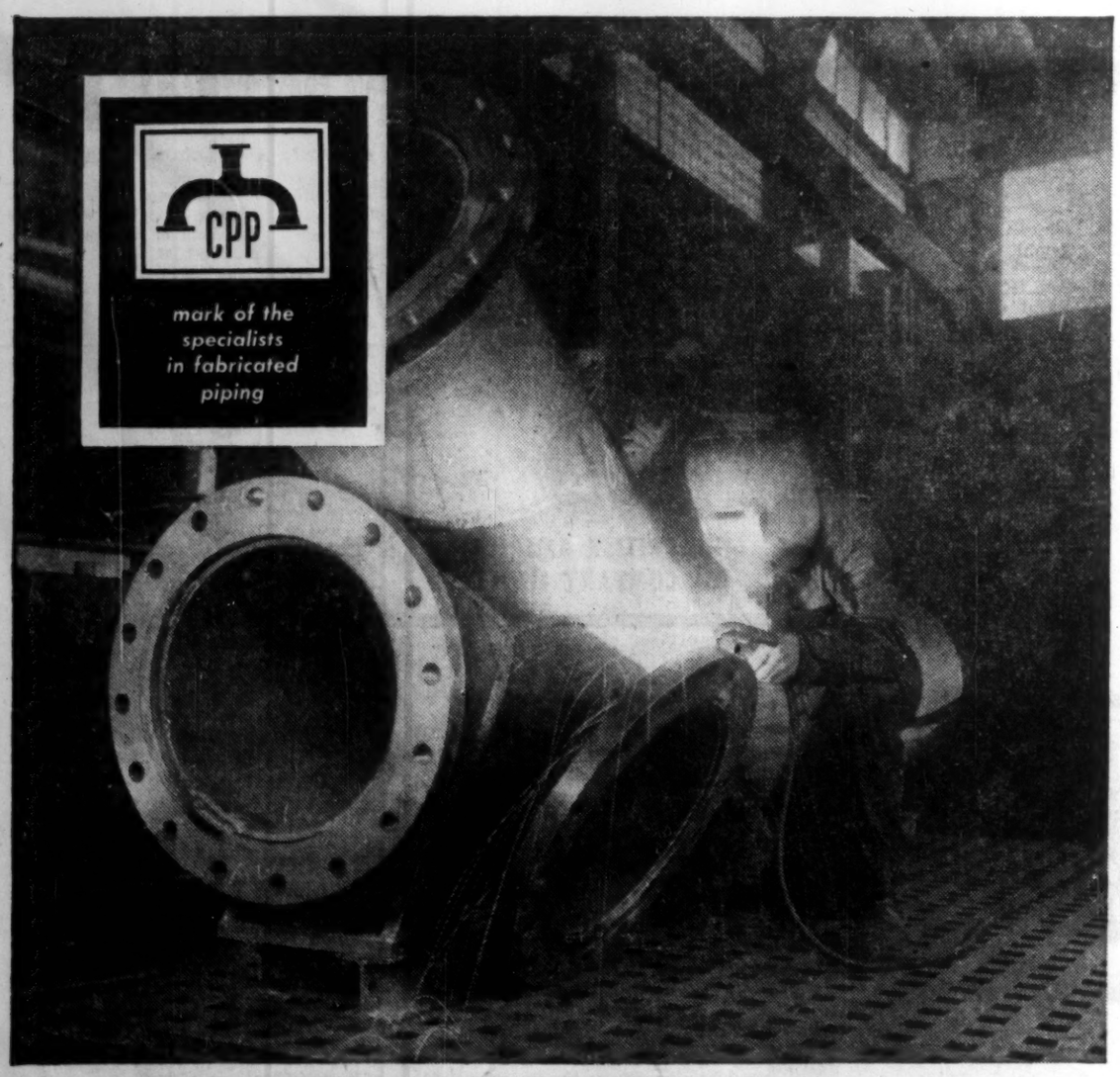

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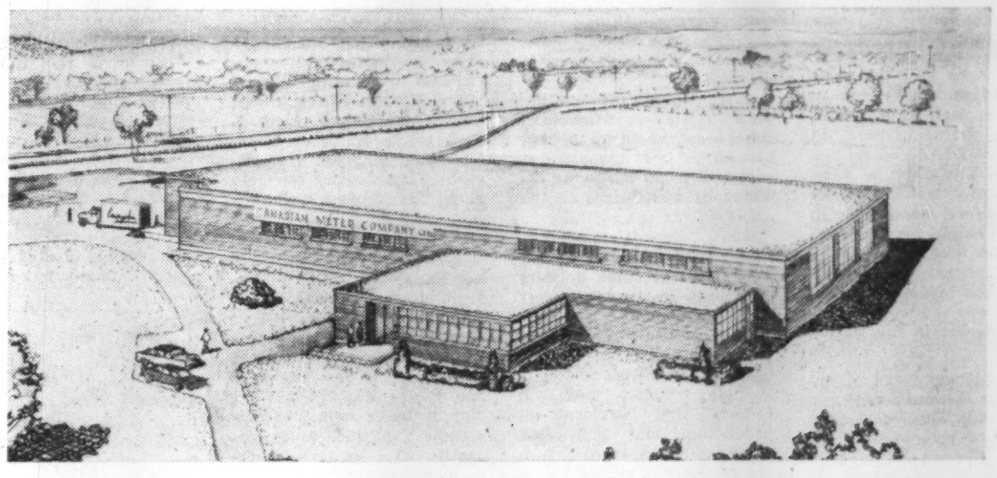

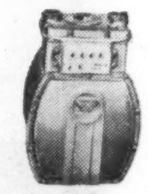

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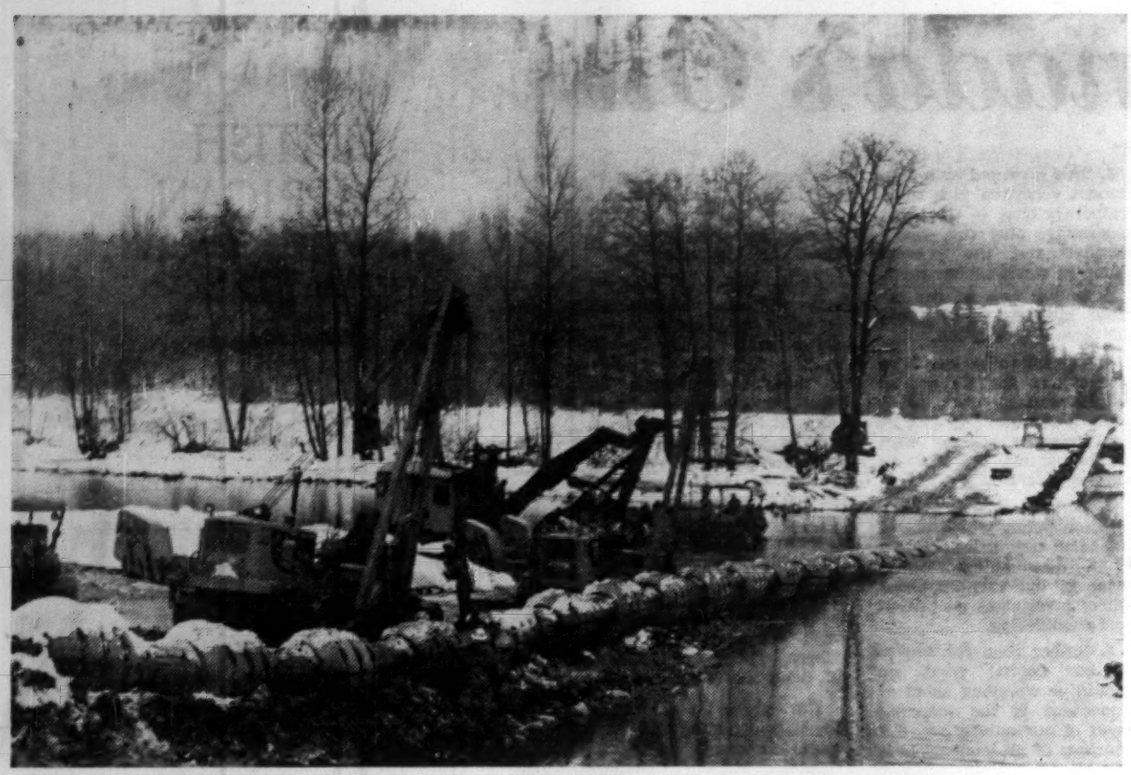
CANADIAN METER COMPANY



COQUIHALLA CROSSING near Hope, B.C., made in February when water at its lowest.

Shell's Mr. Ash Studies Oil Prospects, Problems

(CONTINUED FROM P. 57)

cept as reasonable the assumption that gas will continue to be found in approximately the same ratio to oil as in the past, then the ultimate developed reserves of natural gas in the west will be ten times today's figure—or 240 trillion cu. ft.

U. S. Market Needed

This is a lot of gas, but to be conservative let's cut this figure in half. If one sets against even the half figure the expansion requirements of **Trans-Canada** and **West-coast Transmission**, plus the **Alberta Southern Company's** scheme to pipe gas to San Francisco, plus local transmission lines such as **Canada-Montana, Saskatchewan Power**, as well as Alberta's own requirement, they all add up to about one trillion cu. ft. of Canadian gas sales per annum by 1965. **You can see therefore, not only that there is ample for Canada's maximum needs with a substantial margin left over for export, but indeed that it is vital to our industry to obtain a market in the United States.**

With all the force at my command, I would urge my fellow-Canadians—as I have urged you before—to think of gas projects when they come up in the future, as come up they will, in terms of economics, not politics. Western producers agree that gas export is important if not vital in correcting our trading deficit with the U. S.

Does the sale of gas to another really put us under his domination, or does it increase his dependence on us?

These are grave questions looming before us. At such a time the responsibilities of a royal commission on all forms of energy are heavy indeed. Narrow or isolationist policies — or political delays—could damage not only the present but future generations.

But over all is the question —how to find markets for our oil? Remember our western oil suffers an economic disadvantage from the Rockies on one side and the Canadian half-continent on the other. These it must overcome to get to market. They cause a loss in the value of our oil at the well-head of about 50c a bbl as compared with, for instance, Texas.

I like to compare the last decade when so many Canadian oil and gas pipe lines have been constructed, to the great railroad-building decade of the 1880s. In the big railroad decade some 4,000 miles of railroad were built. In the pipe line decade some 7,000 miles of oil and gas lines have been built or begun. **As did the railroads so are the pipe lines opening up our country. And most important they have put our petroleum into world trade. This confers on us many advantages. It also imposes certain obligations—the discipline of the market place.**

Temporary Surplus

When we complain that we have a surplus of oil in Alberta which we have difficulty in marketing, we forget that such a temporary surplus may be part of a temporary world surplus. The State of Texas for instance last month was on a producing allowable of 12 days out of the 31 days in October. Both the Middle East and South America could open up their wells by very substantial margins.

A really cold winter would probably surprise you in its effect on this surplus situation. A crisis abroad, for instance in the Middle East, would have a profound impact.

After our experience in the Suez crisis no Canadian should ever again forget that his oil is an international commodity and is directly affected by happenings on the other side of the world.

Since Canada's greatest single export market for some time to come appears certain to be the northwest U. S., and since this is a market that will always be open to competition from ocean-borne oil in periods of down-swinging tanker rates, it follows that western oil production and pipe line throughputs must also face the prospect of periodic ebbs and flows.

Fluctuations there will be but remember there is a stabilizing factor in the burgeoning Canadian population and standard of living. **This provides, and will increasingly provide, a massive, strong, and solid base for Canada's oil economy.**

Good News For Drillers

The demand for Canadian crude, as we have seen, will increase to about 1.5 million bbl. daily by 1965. This compares with some 750,000 bbl. today. To satisfy the Canadian market our industry will have to find 7.5 billion bbl. in Canada during the next eight years. It compares with about **half that figure** discovered during the last 10 years. To find and develop such reserves some 38,000 wells will have to be drilled —good news for any drilling contractors.

Finding a market, and raising pipe line throughput, is only a short-term problem for the Canadian oil industry. **Long-term our problem will rather be to find the oil, and provide the transportation, for one of the most rapidly growing markets in the world—right here in our own backyard.**

At the present time because of the short-term market difficulties (transient though these are) there is some suggestion that western oil should be piped to Montreal. First let us be clear about the engineering implications of this. Contrary to a misapprehension which exists quite widely I find—it is not simply a matter of extending the interprovincial pipe line from the Toronto area to Montreal. It is a matter of building practically a complete new pipe line from the West since the existing line to the Toronto area cannot be expanded to accommodate the through movement to Montreal.

The real point, however, is that the suggestion to pipe oil from the west to Montreal, to my mind at least, **is another case of politics at the expense of economics.** Alberta oil at Montreal, because of Canadian geography, suffers a substantial disadvantage in value versus ocean-borne crude. Some put it at 25c a bbl.—some as high as 50c. This can only be reduced by one or more of three uneconomic and discriminatory courses, it seems to me. The pipe line rate to intermediate points such as Toronto, could be manipulated upward, "humped" as pipeliners call it, in order to get a low rate to Montreal, a discrimination against the consumer at Toronto and similar points.

A customs tariff could be slapped on foreign oil at Montreal, a discrimination against the consumer in Quebec and the Maritimes. Finally the price of oil could be cut at the well-head, a discrimination against the western producer, against the royalty owner, that is the provincial government, and against that forgotten man, the investor or stockholder.

And when all is done, do you imagine the historic suppliers of ocean-borne oil at Montreal are going to sit idly by and watch their business taken away from them? Of course not. So further action would have to be taken, resulting in further discrimination and the breeder reaction which always follows from tinkering with natural economic movements.

I quote you these words by the great historian Toynbee. May I commend them to you and other fellow-Canadians, to a Royal Commission on Canadian energy, and not least to Canadian oilmen. "When anyone in the past has attempted to predict the long-term future, his forecast has turned out to be hopelessly shortsighted and pessimistic. Benjamin Franklin thought at the end of his life it would perhaps take centuries to settle the American continent. The State of California stands as a monument to his error."

If, as many believe, Canada is crossing the same threshold of development as did the U. S. 50 yrs. ago, then these are words that all Canadians should well remember.

Pipe Companies Still Growing With Market

Page-Hersey Tubes Ltd., Canada's biggest producer of steel pipe for fast-expanding oil and gas industries, is planning further growth in line with markets.

The "big-inch" steel pipe mill of **Welland Tubes** — owned jointly with **Steel Co. of Canada** — in a move to boost capacity even further has added three new welding machines to its massive production lines.

The new welders have brought the production level up to more than four miles of pipe per day.

With a new $5 million mill due to go into operation in two to three months at its Welland location Page-Hersey Tubes is getting ready to handle any upsurge in demand for steel pipe for rapidly growing oil and gas gathering and distribution systems.

The new mill will produce electric-resistance weld pipe from 2⅜ in. up to 8⅝ in. outside diameter — sizes mostly used to tap off main truck lines to carry gas into and within cities and towns, as well as for gas gathering lines, and oil lines.

Welland Tubes has already completed major oil and gas line orders such as:

—Interprovincial Oil Pipelines Ltd.—150 miles of 20-inch pipe for the extension of the line from Sarnia to Port Credit.

—Union Gas Co. of Canada—142 miles of 26-inch diameter pipe for a line connecting company's Dawn storage field with a future Trans-Canada terminus near Streetsville, Ont.

—Trans-Canada Pipe Lines —20-24 inch pipe for the Toronto-Montreal leg of the natural gas line and 30-inch pipe for the main line in the Port Arthur-Dryden areas.

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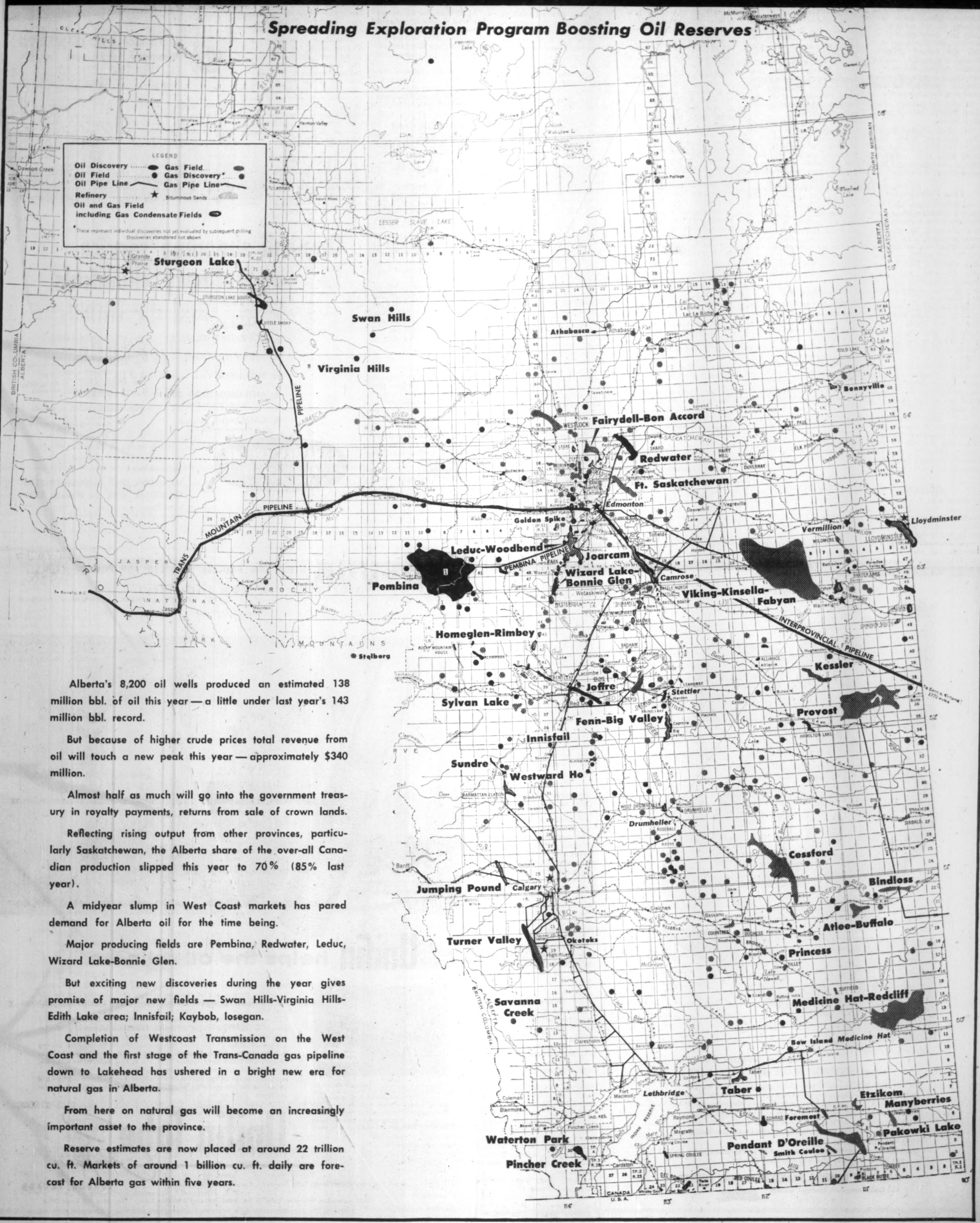

Alberta's 8,200 oil wells produced an estimated 138 million bbl. of oil this year — a little under last year's 143 million bbl. record.

But because of higher crude prices total revenue from oil will touch a new peak this year — approximately $340 million.

Almost half as much will go into the government treasury in royalty payments, returns from sale of crown lands.

Reflecting rising output from other provinces, particularly Saskatchewan, the Alberta share of the over-all Canadian production slipped this year to 70% (85% last year).

A midyear slump in West Coast markets has pared demand for Alberta oil for the time being.

Major producing fields are Pembina, Redwater, Leduc, Wizard Lake-Bonnie Glen.

But exciting new discoveries during the year gives promise of major new fields — Swan Hills-Virginia Hills-Edith Lake area; Innisfail; Kaybob, Iosegan.

Completion of Westcoast Transmission on the West Coast and the first stage of the Trans-Canada gas pipeline down to Lakehead has ushered in a bright new era for natural gas in Alberta.

From here on natural gas will become an increasingly important asset to the province.

Reserve estimates are now placed at around 22 trillion cu. ft. Markets of around 1 billion cu. ft. daily are forecast for Alberta gas within five years.

Companies

Anglo-Canadian

Anglo-Canadian Oils Ltd., Brandon, Man., owns and operates an oil refinery of 3,000 bbl. daily capacity at Brandon, and distributes and sells the refined products through company owned service stations and dealers and agents in about 20 communities in Manitoba and eastern Saskatchewan.

In 1956 the refinery processed 938,479 bbl. of crude oil; a record.

Net profit of $261,302 for 1956 was 8.3% higher than 1955's $241,219. Earnings per share were $3.23 ($2.98 in 1955), and dividends paid amounted to 40c (40c).

Ajax Petroleums

Ajax Petroleums Ltd., executive and main offices Calgary, produces and sells natural gas from its own and other gas wells in the Morinville-Atim area of Alberta. Gas is sold chiefly to **Canadian Chemical Co.,** Edmonton. Company also holds prospective oil and gas lands in Alberta, Saskatchewan and Montana.

Consolidated net profit of $81,073 for 1956 was 78% higher than 1955's $45,552. Earnings per share were $0.02 ($0.011 in 1955) no dividends were paid in either year.

Sales of natural gas increased 3% while operating and administrative expenses in gas handled was reduced $1.58 per million cu. ft. says President W. B. Airth.

It is expected that sales of natural gas to its main customer, **Canadian Chemical Co.,** will improve in 1957, reports Mr. Airth. Gross revenue is expected to be "well over $1 million."

Altex Oils

Altex Oils this year held interests in 111,243 gross acres, equal to 16,066 net acres in Alberta, Saskatchewan and Montana.

Net share of recoverable oil reserves has been estimated at 751,291 bbl., with additional probable reserves of 797,400 bbl. and gas reserves of 6.76 million cu. ft.

Oil production and gross income have been rising. In the year ended March 31 this year, net crude oil sales amounted to 85,373 bbl., up from 54,763 bbl. in 10 months ended March 31, 1956. New Pembina wells accounted for the increase although the West Drumheller field still remained the company's chief source of revenue.

Total income from producing properties was $167,229, an increase from $106,581 in 19 months to March 31, 1956. However, net loss was $45,298 compared with loss of $18,254 for the 10-month period ending in 1956.

Recently, the company acquired a 10% interest in 7,401 acres of drilling reservation at Garrington, Alta. Two quarter sections were unitized with **Hudson Bay** for the drilling of two wells, one of which was completed as a Viking sand gas discovery. Altex has 5% interest in the wells and the unitized tract.

B-A Oil

British American Oil Co., Toronto, is a fully integrated oil company engaged directly and through subsidiaries in production, transportation, refining and distribution of petroleum products.

Refineries are at Montreal, Que., Clarkson, Ont., Moose Jaw, Sask., Edmonton and Calgary, Alta. Combined capacity is 130,000 bbl. of crude daily.

Company owns producing and potential petroleum properties, and is engaged in production and exploration in both Canada and the U. S.

July daily crude oil output in 1956 was 38,000 bbl. in Canada and 25,600 in the U. S.

Consolidated net profit of $25,134,091 for 1956 was up 21.9% from 1955's $20,613,219. Earnings per share were $1.36 ($2.27 in 1955) and dividends paid amounted to $1 (85c).

Increased earnings arising from high volumes and claiming of prior year's income tax deductions were offset in part by the effect of changes in accounting procedures relating to exploration and production.

Sales volume of 35,036,000 bbl. of finished products compared with 33,875,000 bbl. in 1955.

Company's crude oil production in Canada and the U. S. reached a new high of 16,306,000 bbl. in 1956, and at year end was averaging some 64,000 b/d, or enough crude to supply 70% of average daily refinery requirements. Company in both countries drilled or participated in drilling 353 gross wells, of which 233 resulted in producing oil or gas wells. At year end company owned or had an interest in 3,447 gross oil and gas wells.

Net profit in first half 1957 was $12,660,000, equal to 69c per common and restricted common share. Sales for the full year in 1957 are expected to exceed 1956 totals and earnings should also be higher. The 26% earnings gain in the first half was partly at least, a reflection of the additional income from Canadian Gulf operations (not available in the 1956 first half).

Net expenditures on properties, plant, equipment and long-term investments in 1956 totaled $62,277,000 (not including value of capital assets of Canadian Gulf Oil acquired during the year).

In late 1958, a 20,000 bbl. per day refinery at Vancouver will be completed at a cost of $25 million. This refinery will consist of crude topping, catalytic cracking, catalytic reforming and alkylation.

Estimated capital expenditures for 1958 in manufacturing department will approach $40 million.

B. C. Electric

British Columbia Electric Co., the west coast's biggest utility system, is actively engaged in a sizeable expansion program that entails distribution of gas in the lower mainland area and use of gas in proposed new thermal power units.

A recent contract finalized with Westcoast Transmission calls for delivery of up to 144 million cu. ft. of gas daily to the heavy electric demand area of the lower mainland for use in a proposed large new thermal power plant. When recently announcing the new project, A. E. Grauer, B. C. Electric Co. president, indicated that natural gas would be the major fuel in supplying the increasing electricity demand in this fast-expanding area. The new plant will have a capacity of 1.25 million hp and cost, at current estimates, more than $100 million. Site of giant plant may be near the refinery town of Ioco, 10 miles east of Vancouver.

The company has completed its conversion program to natural gas in the Greater Vancouver area but is still pushing extended distribution systems into further areas in the lower mainland. Gross operating income from gas sales rose 8.4% in 1956. It is anticipated that revenue from this source will be considerably higher again in the current year.

Early in 1957 company's gas system included 1,135 miles of mains but it is spreading out further in the Greater Vancouver area and 15 municipalities, also the Greater Victoria area.

Since the war net profit has steadily increased to $12.4 million in 1956. Earnings per preferred share were $3.43 in 1956 ($3.14 in 1955).

Bata Pete

Bata Petroleums this year has been active with **Charter Oil** in drilling on a farmout from **Sun Oil** in the Talmage area, 12 miles north of production in the Weyburn field in Saskatchewan.

Bata acquired 50% interest in 36,680 acres in this area from Charter through issuing 660,000 Bata shares.

In addition, Bata is interested in the production of oil, natural gas, salt and potash. It supplies the **Unity Gas Supply Co.,** a wholly owned subsidiary, with natural gas required for the town of Unity, including an electrical power plant of the **Saskatchewan Power Corp.** which supplies electricity to a large part of west central Saskatchewan.

Bata has also been supplying natural gas under contract to **Associated Development Co.,** a wholly owned subsidiary, for all gas requirements of the **Prairie Salt Co.** of Unity. Company also has contract to supply gas to **Continental Potash Corp.**

Bata receives royalties on all salt produced by Prairie Salt, and owns nine and has interests in four gas wells in Saskatchewan, and a share in 16 oil producers in Alberta.

Bralsaman

Bralsaman Petroleums has varying interests in acreage in the four western provinces and in producing oil and gas wells in Alberta.

The company has substantial share holdings in **West Maygill Gas & Oil,** amounting to over 200,000 shares.

Two years ago, Bralsaman participated in forming **Prince George Gas Co.** to distribute gas to Prince George, B.C. and surrounding territory. Company has received a franchise and is awaiting a decision on wholesale price to be paid for gas.

Bralsaman has interests in three oil wells at Leduc, one gas well at Rochester, Alta. and two oil wells in Pembina field.

Basco Oil

Basco Oil & Gas had sales revenue of $42,002 and other income of $1,230 in year ended March 31 this year. After expenses and write-offs, net loss was $82,627.

The company has acquired interests in some 177,000 acres of reservations and leases in Alberta, including 100% interest in 25,000 acres adjacent to the Provost gas field.

Through a wholly owned subsidiary, **Basco Petroleums,** company holds interest in seven producing oil wells in Manitoba, and varying interests in acreage in Peace River, B.C., area, Alberta and Saskatchewan.

Basco holds some 8,600 shares of **Fargo Oils** which has made an oil discovery in northeastern B.C. near another permit area where Basco has a 5% gross overriding royalty and where the Fargo Nig Creek discovery gas well is located.

Also in the same area, **Dome Exploration** is to drill an exploratory well on a 45,000 acre permit in which Basco holds a 25% net carried interest.

At Provost, an agreement has been reached with **Leduc Calmar** and associates under which the latter carried out a structure test hole program and plan an exploratory well soon.

Basco also participates with Leduc Calmar in a reservation taken out on 20,000 acres in the Cline River, Alta., area last summer.

Cdn. High Crest

Canadian High Crest Oils is the new name of **High Crest Oils** which was reorganized earlier this year on the basis of one new for each four old shares.

After consolidating the former capitalization of 4,089,980 shares into 1,022,495 new shares, capitalization was increased to five million shares.

High Crest recently reported having interests in 55 oil wells and 12 gas wells, and in acreage in Alberta, Saskatchewan, Montana and Oklahoma.

Interests in average at end of last fiscal year, Feb. 28 this year, amounted to 164,748 acres or net of 35,157 acres.

The company has since participated in drilling a successful oil well in the Wainwright area.

Cdn. Export

Canadian Export Gas is active in acquiring and developing natural gas reserves in western Canada for delivery to **Trans-Canada Pipe Lines.**

The company is to be merged with **Canadian Prospect Ltd.** under the proposed new name of **Canadian Export Gas & Oil.** Basis of a share exchange is 2½ shares of Prospect for each issued share of Canadian Export.

Land holdings earlier this year totaled slightly over one million gross acres or 610,490 net acres, the majority in Alberta with the remainder in Saskatchewan.

Gas reserves have been estimated at 669.76 billion cu. ft. including 395.62 billion cu. ft. proven developed, 136.34 billion cu. ft. proven undeveloped and the rest probable additional reserves.

Proven oil reserves, after production of 25,362 bbl. in year ended Feb. 28 this year, were estimated at 43,929 bbl.

Initial sales contract with Trans-Canada has been reduced some 20% to 138 billion cu. ft. of gas committed to that company. The new contract allows for periodic revaluations with respect to delivery and reserves of gas in fields under contract. Company believes it will participate in sale of this additional gas at higher prices and larger quantities.

Cdn. Delhi

Canadian Delhi Oil, continuing name of the former **Canadian Delhi Petroleum,** has been carrying out exploration drilling in Saskatchewan and Alberta.

An eight-well exploratory program was launched this year in the Cypress Hills district of southwestern Saskatchewan. Drilling has also been done recently in the Acme, Alta., area.

The company negotiated a $2 million one-year bank credit for exploration and other operations last spring.

Canadian Delhi Oil was formerly a wholly owned subsidiary of Canadian Delhi Petroleum, but took over all assets of the latter last spring in a share-for-share exchange deal.

Among Delhi's other interests, it is reported to hold or have optioned a total of 557,-

(Continued on page 61)

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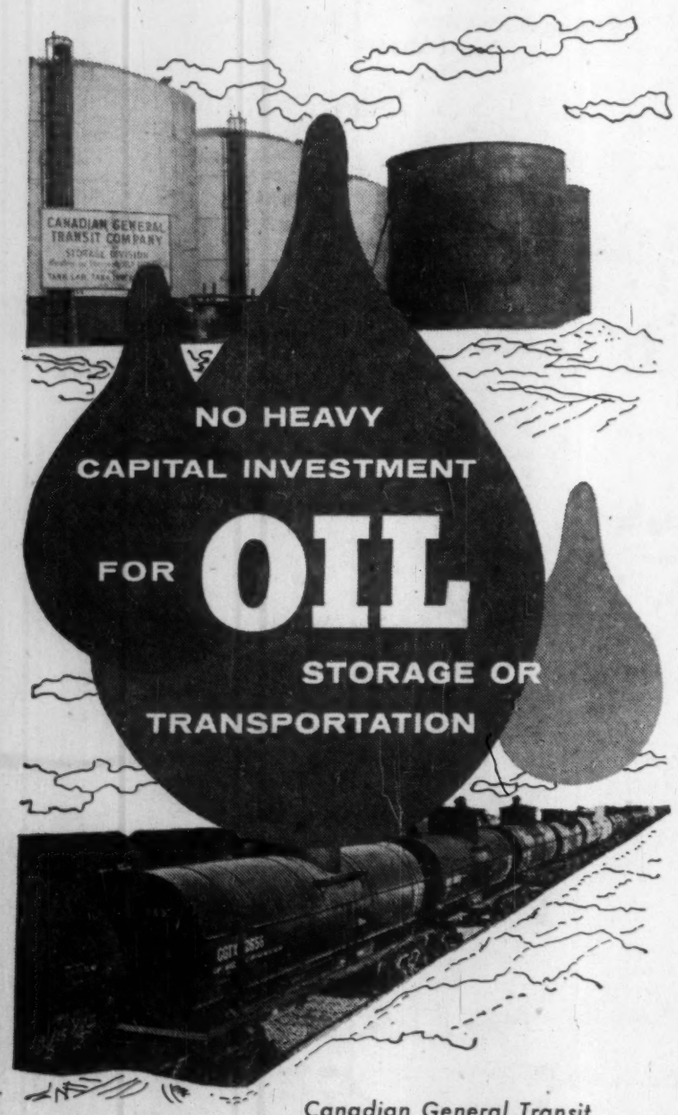

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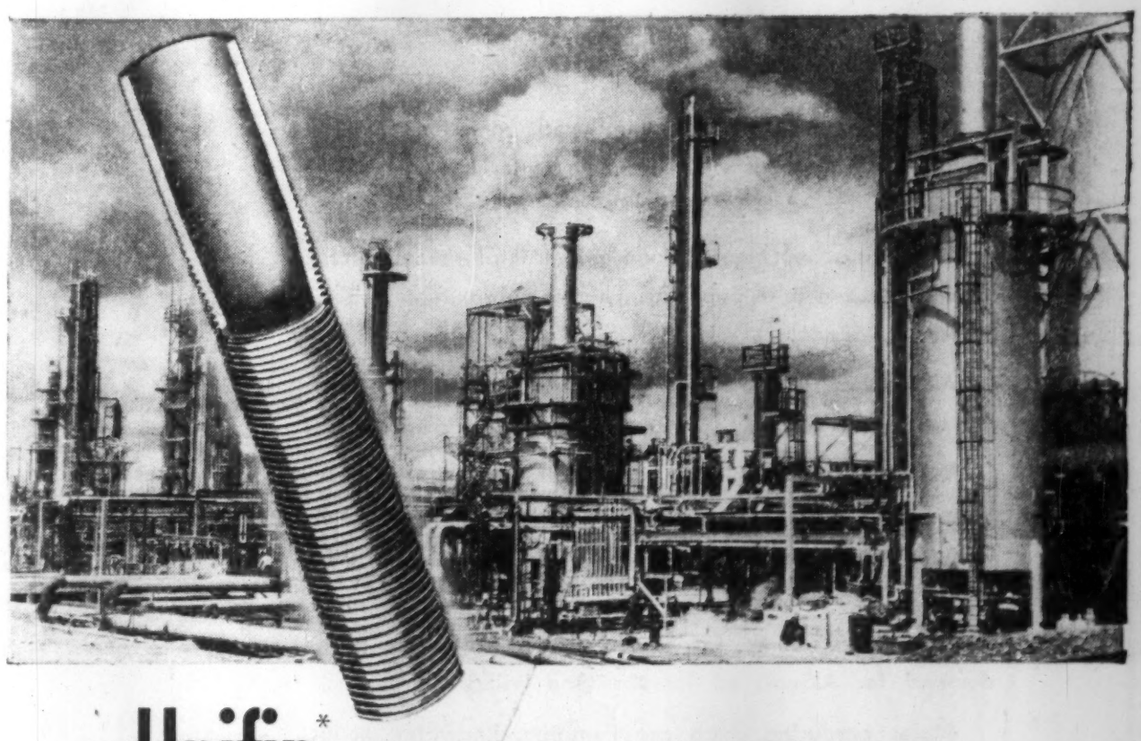

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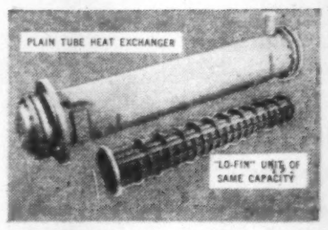

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IN THIS DOW Chemical laboratory, technicians are continually searching for new methods to benefit the oil and gas industry.

Companies

(CONTINUED FROM P. 60)

962 shares of **Trans-Canada Pipe Lines**. Its holdings in **Quebec Natural Gas Corp.** amount to 137,497 shares, about 10% of outstanding capitalization.

Trans-Canada has contracted to buy gas from the company's Cessford, Provost and Countess properties at 10c per Mcf for about the first two years, increasing ¼c each year after that to a maximum of 15¾c.

Early this year, net oil production from the Bone Creek fields, in southwest Saskatchewan, was over 500 bbl. daily. The company, with partners, discovered and developed the medium gravity Bone Creek field last year.

Cdn. Chieftain

Canadian Chieftain Petroleums has participating or royalty interests in producing wells, Alberta acreage and in mineral claims in B. C.

Company has been active in the Provost area where it holds 41,000 acres, of which 40,000 are wholly owned. Four gas wells have been completed on this acreage.

Recently two further wells had locations set and a third was to drill on 15,000 acres bordering the Cessford field to the east. **Tidal Petroleums** and **Cessland Oil** were to participate in the first and third of these wells.

The company now has seven producing oil wells on 1,120 acres in the South Joffre field.

At mid-year, a well in which Chieftain held a carried interest was abandoned in the Bellshill Lake area, as was a well three miles north of a previous abandonment in the Youngstown area.

C. Petrofina

Canadian Petrofina Ltd., Montreal, directly or through subsidiaries, produces, refines, processes and markets petroleum and petroleum products.

Incorporated on May 1, 1953 and beginning operations on July 1, 1953 with the opening of its first retail outlet, company has 1,500 retail outlets in Ontario, Quebec and the Maritimes.

Consolidated net profit of $1,897,123 for 1956 showed a sharp gain from 1955's $1,026,289. Earnings per preferred share were 36c (21c in 1955) and per ordinary share d 0.06 (d 0.09). No dividends were paid in either year.

Gross revenues were $49.8 million ($25.3 million the year before).

Net crude oil output was 11,400 b/d, and this year's about 12,800 b/d.

Oil reserves are put at 55 million proven and developed.

Sales of Fina petroleum products increased by almost 90%. Major tankage additions were completed at the Halifax and Sydney marine terminals and at Ottawa terminal on the Trans-Northern pipeline, and new bulk plants were completed at New Liskeard, Windsor and Hanover, Ont. and at La Malbaie, Gaspé and New Richmond, Que.

In 1956, company participated actively, either directly or through its subsidiaries **Western Leaseholds Ltd.** (95% owned) and **Calvan Consolidated Oil & Gas Co** (90% owned) in exploration and drilling programs in Western Canada. A total of 123 wells were drilled on properties in which company held an interest. Of these, 87 were producers. At year end, company and subsidiaries held interests in 470 oil and 49 gas wells, the greatest majority of which are located in the Pembina and Redwater fields of Alberta.

One of the company's subsidiaries, in association with other companies, is participating in a program to evaluate the potential oil reserves in concessions held on the Athabasca tar sands.

Company plans to increase capacity of its Pointe-aux-Trembles refinery by 50% from 20,000 bbl. to 30,000 bbl. of crude daily.

Capital expenditure for 1958 is estimated at $5 million.

Consolidated net profit for the six months ended June 30, 1957, amounted to $1,882,893 compared with $293,246 for same period in 1956.

Canadian Husky

Canadian Husky Oil Ltd., Calgary, Alberta, is a leading producer and refiner of black crude oil and a growing producer of light oil and natural gas.

Refineries are at Lloydminster, Alta., Moose Jaw, Sask., and Fort William, Ont. Their combined capacity is 15,500 bbl. per stream day.

Company has acquired government exploration permits covering 4.7 million acres of land in the Yukon and Northwest Territories and has begun geological work to evaluate the acreage.

Company's net interest in this acreage, some of which is owned jointly with Canadian Superior Oil Co. of California, is over 3.3 million acres. This brings Canadian Husky's total net acreage to nearly 4.5 million acres.

Production of crude oil in 1956 totaled 930,000 bbl. Company reports 1957 output to reach approximately 1.3 million bbl. due to the purchase of additional properties from co-owners as well as increasing output from wells operated last year.

Co-owners is a group of private investors from whom Canadian Husky acquired assets including some 9 million bbl. of oil, estimated 70 billion cu. ft. of gas and 238,000 net acres of land.

One-half of this year's crude output will be light and medium oils, compared with 18% in 1955.

Company has bought from **Canada Western Distributors Ltd.**, Calgary, for about $700,000 certain properties at South Edmonton, Fort Qu' Appelle, Regina, Port Arthur, Cochrane, Hearst, Nipigon and Manitouwadge.

A contract has been signed covering sale of natural gas from Savanna Creek for delivery to Westcoast Transmission. It also has an offer from **Trans-Canada Pipe Lines** to purchase gas from its Dick Lake field at an initial rate of 65 million cu. ft. daily.

Canadian Husky has offered to acquire all the assets of **Liberal Petroleums** on an exchange basis of one share of Husky for each eight shares of Liberal. Offer was accepted by Liberal management, subject to approval by Liberal shareholders.

Liberal holds a 15 1/3% net carried interest in the South Sturgeon Lake field, varying interests in 364,000 gross acres in B. C., Alberta and Saskatchewan, and a wholly owned subsidiary owns and operates four rotary drilling rigs. Husky's net profit was $19,530 for 1956 ($24,418 in 1955).

First half sales in 1957 were 10.5% ahead of the 1956 first half—gross income in 1956 was $16.9 million.

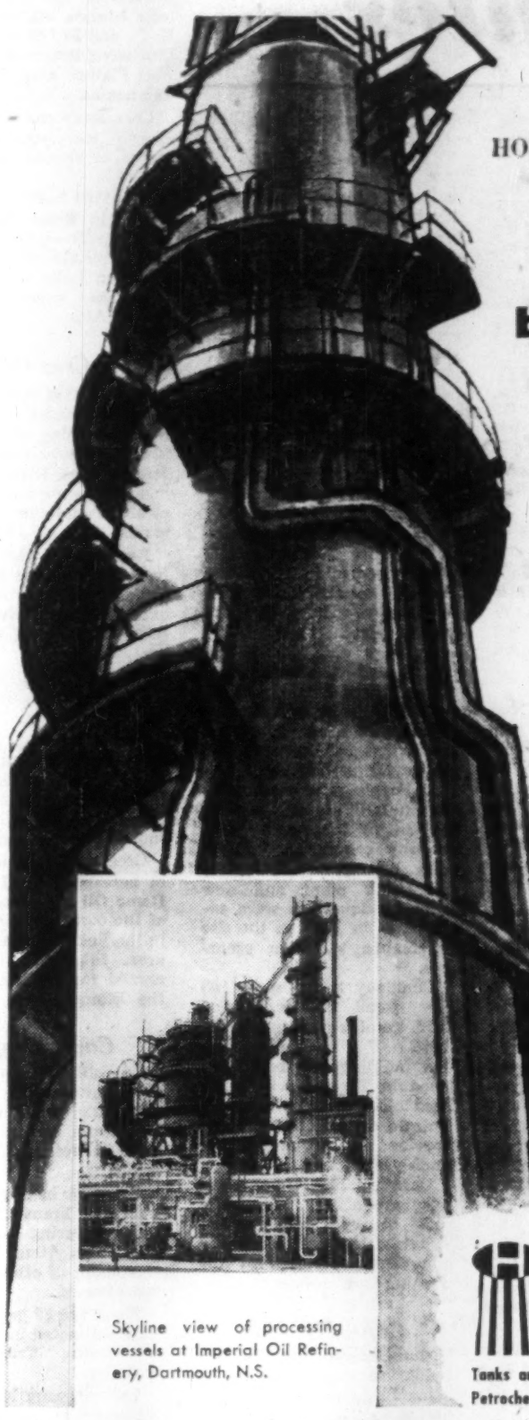
Company arranged for $15 million in new funds in the first half of 1957.

Company plans to spend nearly $700,000 on a major expansion program for its refinery at Fort William

C. Hydrocarbons

Canadian Hydrocarbons Ltd., Winnipeg, incorporated in January, 1955, has since acquired controlling interest in **Canadian Propane Ltd.**, operating six subsidiaries; **Home Gas Ltd.**, with three subsidiaries; **Saskatoon Pro-**

(Continued on page 62)



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Skyline view of processing vessels at Imperial Oil Refinery, Dartmouth, N.S.

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Companies

(CONTINUED FROM P. 61)

pane Gas Ltd., Sturdie Propane Ltd., Calgary, **Hugh Gas Ltd.**, and **Propane Gas Service Ltd.** of Cranbrook, B.C.

It has also incorporated **Hydrocarbons Pipelines Ltd.** to develop a products' pipeline running from Alberta to the head of the Great Lakes.

A majority interest is held in Canadian Propane. All the other operating companies are wholly owned except for a small minority interest in one.

This gives Canadian Hydrocarbons propane operations—stretching from Fort William to Vancouver—an annual market of 55,000 customers using close to 40 million gal. Gross investment is about $12 million.

Sales in first half of 1957 totaled $3.9 million, up 14.6% compared with $3.4 million in the same period in 1956. Loss was $13,199 for period ($196,487 in 1956).

Sales and earnings for the full year 1957 should be substantially greater than last year's totals.

Cdn. Williston

Canadian Williston Minerals holds extensive freehold mineral rights acreage in Saskatchewan and Manitoba.

On company's acreage, 26 wells were drilled in 26 and 11 wells were drilled to mid-1957. Of these, 20 were completed as successful oil wells, giving the company an interest in a total of 31 wells.

Royalty income is now being received from many of these wells and income was expected to increase substantially through this year. Royalty income in last fiscal year was $3,325.

Cdn. Prospect

Canadian Prospect had total net income of $626,091 in the year ended April 30, 1957. This included $581,247 from crude oil sales. Net loss for the year came to $216,734 after expenses, interest and write-offs.

In the Carnduff and Florence areas of Saskatchewan, there have been eight producing wells drilled in which the company's net interest is 2.8 net wells. Land holdings have been increased in these areas.

Production problems encountered in the Virden-Roselea and North Virden fields of Manitoba have curtailed further offset drilling. Ten exploratory wells drilled by Prospect were abandoned as dry holes but considerable geological information was obtained for future exploration.

Net proven oil reserves were recently placed at 1.1 million bbl. of which over one million are developed.

A merger of the company is planned with **Canadian Export Gas** with Prospect to acquire the assets of this company.

The two companies share equally in **Bluewater Oil & Gas** which was formed to explore and develop gas or oil reserves in southwestern Ontario.

Canadian Oil

Canadian Oil Companies Ltd., Toronto, is engaged in the refining, distribution and sale of gasoline, motor oils, lubricating and industrial oils, grease, kerosene and several oil product specialties.

With purchase in 1955 of **Anglo-Canadian Oil Co.** assets, Canadian Oil entered the production field, becoming a fully integrated oil company.

Company's refinery is at Sarnia, Ont. Oil blending plants are operated in Montreal, Toronto and Winnipeg. At year-end 1956, Sarnia refinery was operating at the rate of 30,000 b/d, 5,000 b/d higher than a year earlier. Capacity will be increased to 50,000 b/d over the next five years at an estimated cost of $8 million.

Products are sold under the trade names White Rose and En-Ar-Co in all provinces except Newfoundland and B. C.

Sales were $76 million in 1956. The 1957 volume up 9% in first nine months ($1.80 per common share.)

Consolidated net profit of $3,762,448 for 1956 was 34% higher than 1955's $2,805,828 ($1.30 per share). Nine months net was about 10% ahead of comparable 1956 period.

Company and partners in 1956 drilled 32 exploratory wells of which 11 are producers. In addition 24 development wells were drilled, 23 successful.

First half of 1957 drilling resulted in five oil discoveries and one gas discovery. One of these oil finds, at Innisfail, Alta., is by far the most important in company's producing history.

At cost of $3.5 million crude oil reserves were increased in 1956 from 12 million bbl. to 18 million bbl. and land holdings from 460,000 acres to 680,000 acres.

Drillings in 1957 at Innisfail doubled the company's crude reserves to 36 million bbl., it is estimated. Net land holdings are now close to 900,000 acres.

At year end 1956, company's crude production was at the rate of 3,300 bbl. daily from 210 wells in which it had an interest. Total net production for the year was almost 1.2 million bbl.

In Sarnia, a new administration building and an extension to laboratory were recently completed.

In Winnipeg a complete new bulk plant and new office headquarters were established in 1956 on the site of company's former premises.

Company added some 165 new retail outlets during 1956. Total is now just under 3,000.

A building now being finished in Toronto will house head office and the southern Ontario division. It will also provide for expansion for some years ahead.

Canada's first Udex plant for producing chemically pure benzene, toluene, and xylene from petroleum has gone into operation at the Sarnia, Ont. refinery.

Cons. Mic Mac

Consolidated Mic Mac Oils holds varying interests in some 70 oil wells in Alberta, and in about one million acres in western Canada and Montana.

Late this year it was reported that Mic Mac had acquired 281,656 acres of reservation permits covering the northeast and northwest portion of the Queen Charlotte Islands, off the coast of B. C., and 96,748 acres in the Driftwood River region of the Peel Plateau area, Northwest Territories.

Company's share of net oil reserves were previously estimated at around seven million bbl.

Mic Mac holds over 6,000 shares in **Peace River Pipe Line** which owns and operates a crude oil line from Sturgeon Lake to the **Trans Mountain** pipeline near Edson, Alta.

Cree Oil

Cree Oil of Canada's net revenue from oil sales is currently running at a rate of $240,000 yearly, excluding the recent Wood River development. Revenue from gas will await completion of trunk mains.

Reserves of the company have increased to 1.7 million bbl. of net recoverable oil, excluding Wood River, and 32 billion cu. ft. of developed gas.

Net current assets at mid-1957 were $4.4 million including investments.

Recent drilling includes a gas and oil success at Wood River, Alta., while wells at Bonnie Glen, Fenn-Big Valley, Butte and on the Blood Indian Reserve were dry.

Cree will earn an interest in acreage farmed out from **Home Oil** for supplying 25% of the costs of drilling a well in the Rocky Mountain House area. Interest will also be earned for drilling a well in the Ellerslie area.

Cons. Dragon

Consolidated Dragon Oils holds interests in 15 oil and seven gas wells in Alberta and Texas, and in 1.4 million acres in western Canada and Texas.

Company has signed a contract with **Trans-Canada Pipe Lines** covering gas production from Atlee block. Development of other gas acreage planned.

There are 30 gas well locations estimated in area which is serving Trans-Canada initially.

The company has 66 2/3% interest in **Jupiter - Marwayne-Dragon**, formed to conduct oil and gas operations of a group of companies, including Dragon, in Texas.

Cons. Allenbee

Consolidated Allenbee Oil & Gas has interest in 18 oil wells and 23 gas wells in Alberta and Saskatchewan, and has interests in acreage through western Canada.

In addition, the company owns over 11,000 shares of **Israel Mediterranean Petroleum** and over 11,500 shares of **Pan Israel Oil.**

The company was formed to acquire all the assets of **Allenbee Petroleums** and **Cardinal Petroleums.**

Major reserves are in the Leduc, Lloydminster and Steveville fields.

C. Western Natural Gas

Canadian Western Natural Gas Co., Calgary, controled by **International Utilities Corp.**, New York, produces and distributes natural gas for heating, power and industrial purposes. Market served includes Calgary, Lethbridge and various towns and villages in Alberta, with a population of approximately 242,000.

The company owns or controls renewable gas rights on about 32,000 acres, and participates with others in an additional 8,000 acres in Drumheller area.

Company has a contract with **Madison Natural Gas Co.** (a subsidiary of **Royalite Oil Co.**) and **Shell Oil of Canada Ltd.** for the purchase of gas from the Turner Valley oil field.

Net profit of $1,276,559 for 1956 was 5.5% higher than 1955's $1,209,936. Earnings per preferred share were $4.64 ($4.39 in 1955) and dividend paid amounted to 80c (80c). Earnings on common shares were $13.20 ($12.37) and dividend paid was $8.50 ($8).

Company's natural gas sales rose by 6.3% to a record 36.6 billion cu. ft., reports President D. K. Yorath.

Maximum daily demand exceeded 197.2 million cu. ft. (183.9 million cu. ft. in 1955). Company is negotiating to acquire gas reserves in the Cariboo area 55 miles northeast of Calgary. Reserves to be acquired are estimated at 200 billion cu. ft. and a 16-in. pipeline capable of carrying 150 million cu. ft. daily to Calgary area will be built in 1958 to cost $9.5 million.

The record expansion program in 1956 reached completion before winter largely due to favorable weather. Customers totaled 68,967 at year-end, up 5,180 from Dec. 31, 1955.

Thirteen new communities were connected including those between Red Deer and Calgary. New customers included a large RCAF base near Penhold and a sugar beet factory at Picture Butte.

Capital expenditures totaled $5,678,453. This year's are expected to exceed $3 million. The new six-story head office was to be occupied this summer.

Company may be compelled to apply for higher rates since mounting costs may affect earnings. Present rates have been in effect for some years, except those for more recently added communities.

Dom. Minerals

Dominion Minerals Development has interests in six Alberta oil wells and in prospective oil and gas acreage in Alberta and B. C. The company also holds uranium prospects in Beaverlodge and Blind River areas.

The company owns leases on several parcels of land in Alberta and in partnership with others has interest in 8,760 acres in Whitecourt, 960 acres in Alexis Indian Reserve and 12,682 acres in the Princess areas.

Oil wells are in Leduc, Camrose and Erskine fields of Alberta.

Operations in U. S. are carried on by a subsidiary.

Gridoil

Gridoil Freehold Leases is active in exploration and development in western Canada and holds substantial interests in producing wells.

The company holds 100% interest in 29 oil wells, 80% interest in 13 oil wells and 50% interest in seven oil wells in southern Saskatchewan and southwestern Manitoba.

Gridoil has an agreement with the **Saskatchewan Power Corp.** for sale of gas produced from company wells in the Gull Lake field. A water flood injection at Gull Lake has proved encouraging and the company is considering a major project along with other operators.

Gridoil is drilling two further exploratory tests in Manitoba and in southeastern Saskatchewan under an agreement with Col. Gustave Ring. Of nine exploratory tests previously drilled under this agreement, two wells are in production in the Weyburn-Colgate area.

Crude oil sales for last year amounted to $355,933 after royalties, compared with $311,065 in 1955. Net loss for 1956 amounted to $250,102 after expenses, interest and write-offs.

Great Northern

Great Northern Gas Utilities Ltd., Edmonton, is a holding company. One subsidiary, **Plains-Western Gas & Electric Co.**, distributes natural gas to 10 small Alberta communities and one in British Columbia, and electricity in Yellowknife, N.W.T.

Rockgas Propane Ltd. and (Continued on page 63)

OKALTA continues expansion program

Okalta — a pioneer independent whose founder brought in the first producing well in Alberta — surges ahead. Since 1926, the Company has acquired (or has varying interests in) 72 producing wells. Its operations now extend into 21 areas of Alberta, Saskatchewan, B.C., North Dakota, Wyoming and Texas. Not content with this healthy state of its affairs, Okalta is continuing its aggressive campaign toward acquiring an even greater share of the nation's oil reserves.

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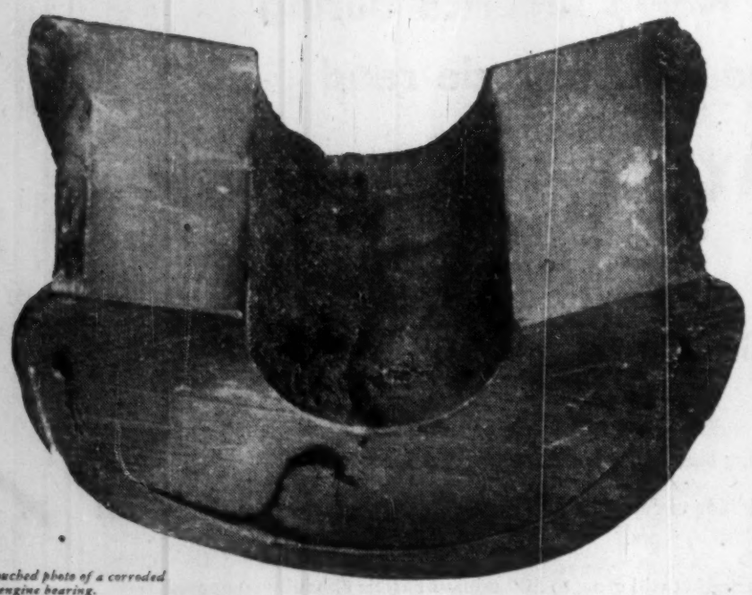

Unretouched photo of a corroded diesel engine bearing.

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Neglect can be very costly when a diesel engine is involved. Here you see what oxygen cell corrosion did to a water-cooled bearing. Such bearing failure can be caused by inhibitor deficiency or a complete lack of water treatment. Resultant corrosion then does a thorough job of destroying the part. After that, the only thing to do is shop the engine and replace the bearing.

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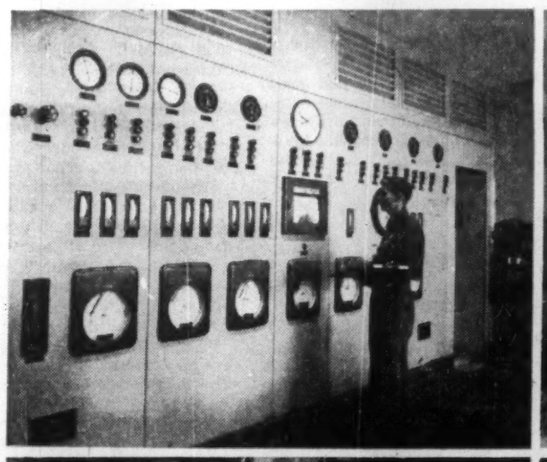

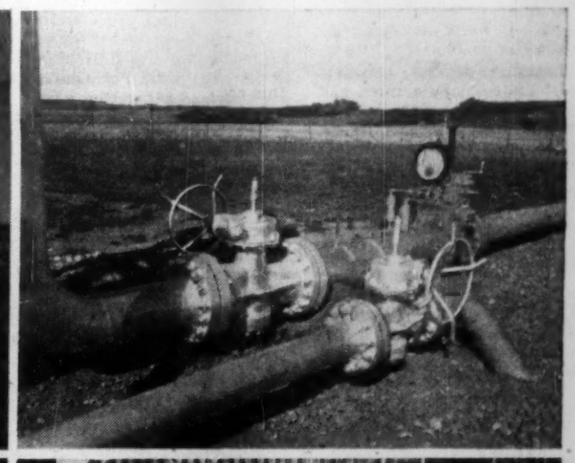

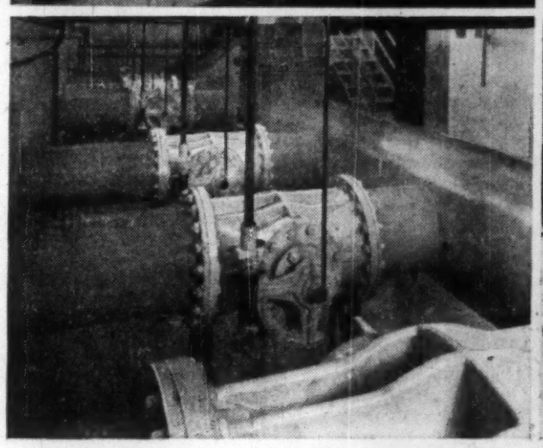

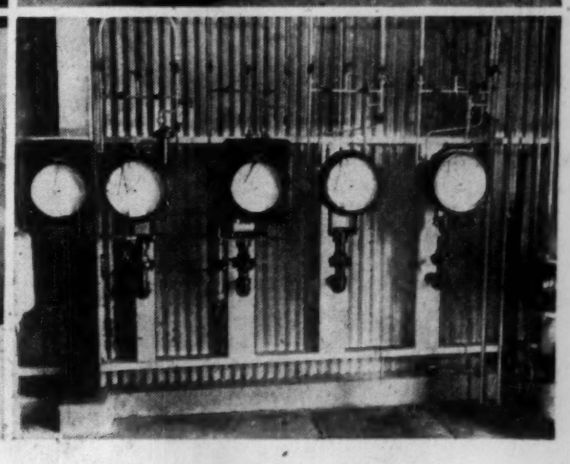

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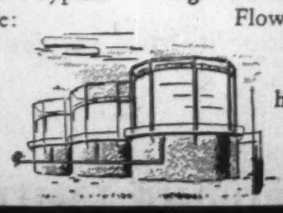

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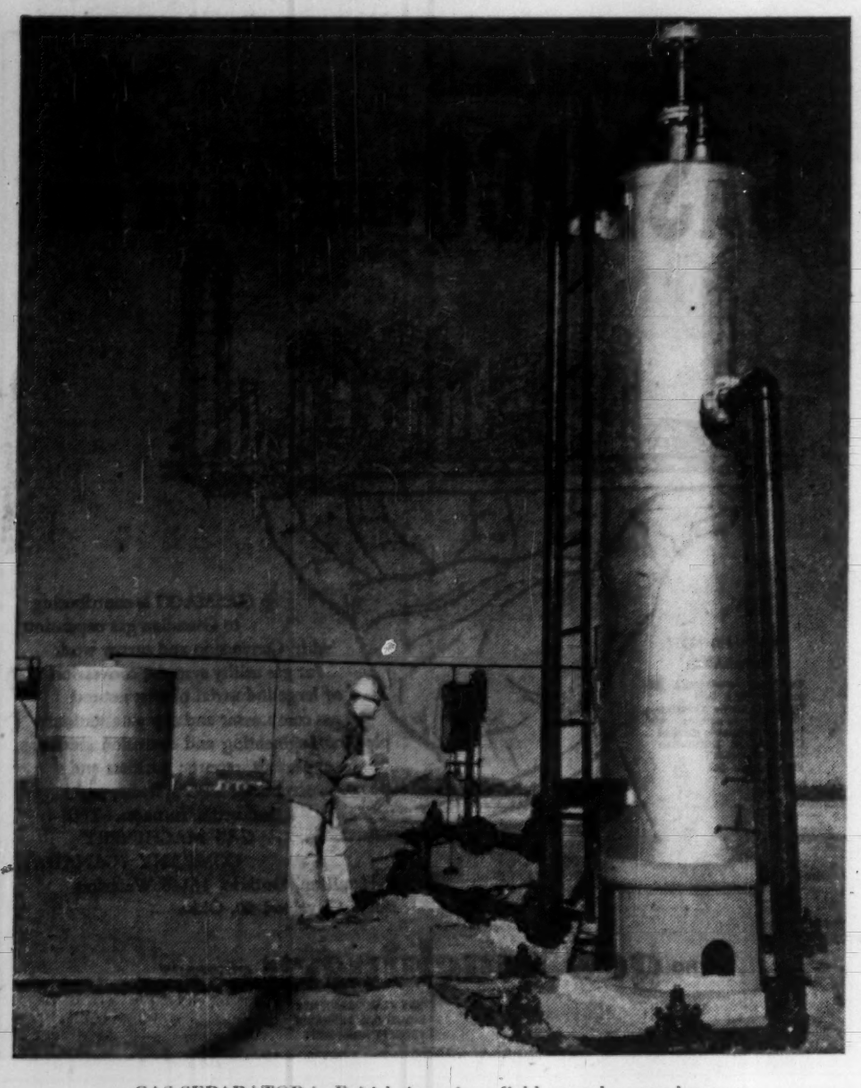

GAS SEPARATOR in British American field records gas volumes.

Companies

(CONTINUED FROM P. 62)

Bibby's Pacific Propane Ltd., also wholly owned, distribute propane gas and appliances in British Columbia.

Great Northern Gas Co. (80% of preferred and 69% of common owned by parent) distributes manufactured gas in the Sault Ste. Marie area and two small adjacent communities. Through North Shore Propane Co. (50% owned by parent and 50% by Great Northern Gas Co.), it also distributes in Northern Ontario centres.

A long-term franchise is held by Plains-Western for distribution of natural gas to Brandon, Man. Service was scheduled to start in October. It also distributes propane in this area.

Meters in service in the areas served totaled 10,066 at Dec. 31, 1956, compared with 6,549 in 1952, company reports. It expects to serve 2,000 customers in Brandon initially and more than 5,000 in due course, company says.

Company owns a substantial interest (33 1/3% prior to public financing) in **Lakeland Natural Gas Ltd.** which has franchises to serve several communities in Eastern Ontario. It was also retained in May, 1957, to supply Lakeland with certain management services for five years, but this agreement was ended recently.

Plains-Western has been seeking franchises in the Greater Winnipeg area recently, offering to supply gas at rates lower than those of the existing utility, **Winnipeg & Central Gas.**

Consolidated net profit was $423,346 in the 12 months ended June 30, 1957 ($301,129 previous period), equal to 52c (40c) per common share.

Hi-Tower

Hi-Tower Drilling Co., a contract driller of oil and gas wells, also has interests in producing wells in the Roselea, Man., area.

Revenue and earnings have shown an upward trend in the past two years, with the year ending Feb. 28, 1957, a record one of drilling activity for the company.

Net operating income in the year was $1,006,391 and net proceeds from production amounted to $2,407. Net profit was $340,198 or $2.34 a share, up from $1.05 a share the previous fiscal year.

The company drilled 111 wells for a total of 594,877 ft. of hole.

Hi-Tower has 12.16% interest in land at Roselea on which there are four producing oil wells.

Intl. Utilities

International Utilities Corp., New York, through subsidiaries, is engaged in the management and development of natural gas and electrical companies and properties in Alberta.

Its two natural gas subsidiaries (see separate write-ups in this section) are **Northwestern Utilities Ltd.**, which operates in Edmonton and central Alberta, and **Canadian Western Natural Gas Ltd.**, which operates in Calgary and southern Alberta. They are the largest of their kind in Canada.

An electrical utility — **Canadian Utilities Ltd.** — operates in Alberta, British Columbia and Saskatchewan.

Northwest Fidelity Trust Co. is a wholly owned subsidiary.

International also handles an investment portfolio.

Company has a minority interest in **Quebec Natural Gas Corp.**

The three former propane gas subsidiaries — **Hugh Gas Ltd.**, **Propane Gas Service Ltd.**, and **Sturdie Propane Gas** were sold to **Canadian Hydrocarbons Ltd.** in September, 1956.

Consolidated net profit in 1956 was $3,986,800 ($3,574,321 in 1955). Earnings per common share were $1.66 ($1.55), based on the increased number of common following the 100% stock dividend Aug. 31, 1957.

Net profit for nine months ended Sept. 30, 1957, was down $2,566,177 ($2,801,090 a year ago) equal to $1.05 ($1.17) per share.

Company's properties with annual gross revenue of $160,000 at Fort St. John, B.C., were taken over by the British Columbia Power Commission. This reduction in service area is partially offset by acquisition of properties of **Slave Lake Utilities** and **McMurray Light & Power Co.** The latter is located in the Athabasca oil sand area of Northern Alberta.

Investment in **Trans-Canada Pipe Lines Ltd.** was reduced (7% at the time of financing) was further reduced when more shares were issued as part of the line's main financing.

Imperial Oil

Imperial Oil Co., Toronto, is engaged in producing, refining and distributing petroleum and its products and is the largest company of its kind in Canada.

Net profit for 1956 was $69,098,692, up 11.2% from 1955's $62,145,140. Earnings per share were $2.20 ($2.08 in 1955) and dividends paid amounted to $1.20 (95c).

Crude oil production in 1956 averaged 119,467 bbl. per day and totaled 43,725,009 bbl., an increase of 10.8% over 1955. Net production after royalties was 102,956 bbl. per day. Ownership of wells at Dec. 31, 1956, amounted to 2,100 oil wells and 130 gas wells.

Development wells drilled in 1956 totaled 258 in Alberta, Saskatchewan, Manitoba and Ontario, resulting in 233 oil wells, 5 gas wells and 20 dry holes. In addition, exploration work continued in British Columbia, Alberta and Saskatchewan, and in Ontario, the St. Lawrence Lowlands of Quebec, Prince Edward Island and the Cape Breton area of Nova Scotia. In western Canada, 22 new discoveries were made, 13 productive of oil and nine found gas. Two new gas fields were found in Ontario. Company also expects to benefit from more than 40 oil and/or gas discoveries made by others in close proximity to its acreage in several areas of western Canada.

Capital expenditures in 1956 totaled $97,950,756. In five years, 1952-56 they amounted to $391,251,000, and outlay for 1957 will be approximately $160 million.

Earnings for nine months ended Sept. 30, 1957, are estimated at $58,421,000 equal to $1.85 per share. This compares with $51,138,000 for same period in 1956 or $1.62 per share based on number of shares now outstanding.

During the period net crude oil production was 101,594 b/d, up slightly despite decline in export in recent months.

Crude oil processed at refineries averaged 279,417 b/d, an increase of 5%, and sales of products and processed crude at 273,418 b/d were higher by 3% with the major increase occurring in motor gasolines.

Company has concluded a deal with **New Brunswick Oilfields Ltd.** whereby Imperial will enter a seven year sublease agreement with N.B. Oilfields to explore for gas and oil on one million acres of the latter's crown leases.

Company will have spent $45 million during 1957 on new and modernized refining facilities, raising total crude running capacity from 289,000 b/d to over 300,000.

Interprov. Utilities

Interprovincial Utilities Ltd., Ottawa was established in 1950 to acquire the gas assets of Ottawa Light, Heat & Power Co., following sale of that company's electrical facilities to Ontario Hydro-Electric Power Commission.

Company has accepted offer of **Consumers' Gas Co.** for the Ottawa and district gas system at a reported price of

(Continued on page 64)

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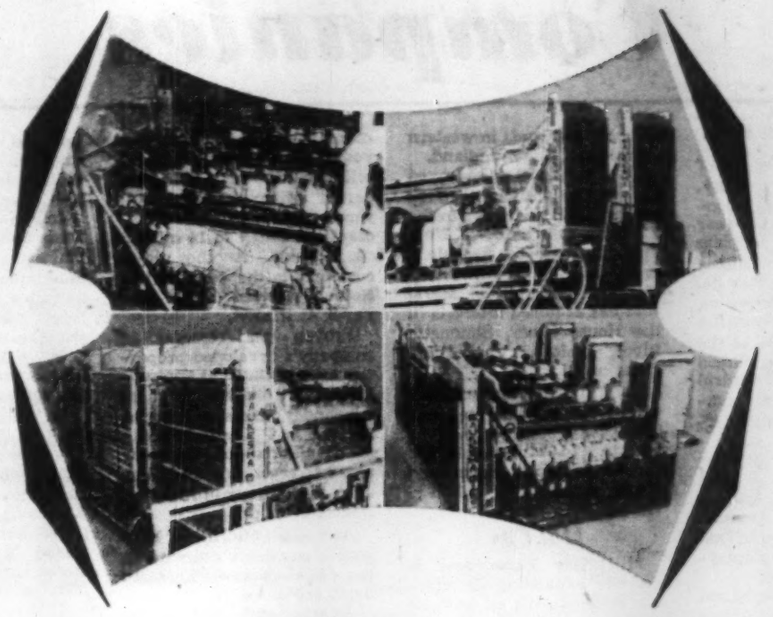

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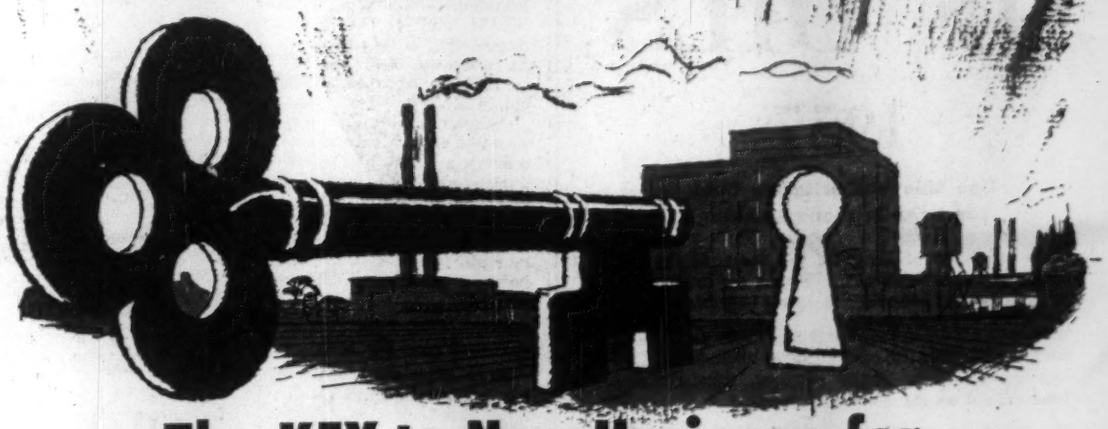

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Companies

(CONTINUED FROM P. 63)

$2,709,000 plus assumption of all liabilities of the company.

This new move by Consumers' follows a two-year general expansion program which, coupled with acquisition in 1956 of **Shore Gas Co.** distribution system extending to Oshawa and Bowmanville and **Provincial Gas Co.** in the Niagara peninsula, is aimed at a proper balance of natural gas load in industrial, commercial and residential markets.

Interprovincial will continue to operate as a local utility in Ottawa and district. John A. Spence, General Manager is continuing in that position and all local employees are being retained.

It is expected natural gas will be available in Ottawa this year, as the line to Ottawa is completed all but testing, and as soon as the Trans-Canada Pipe Line is able to turn gas into this line.

Name of company has now been changed to **Ottawa Gas Co.**

Liberal Pete

Liberal Petroleums has substantial light oil reserves in Alberta and acreage in northeastern B. C. and northwestern Alberta.

An offer by **Canadian Husky Oil** to acquire all Liberal assets was recently accepted by Liberal management subject to shareholder approval. Share exchange basis would be one share of Husky for each eight shares of Liberal.

Earlier this year, Liberal acquired **Paul Guthrie Development**, a drilling firm, for 600,000 shares of Liberal.

Liberal has about 15% net carried interest in the South Sturgeon Lake, Alta., field where there are 34 wells.

Net share of crude oil reserves were estimated early this year at about 6.2 million bbl. at Sturgeon Lake and 584,000 bbl. at Lloydminster.

Marigold Oils

Marigold Oils has varied interests in six producing oil wells and a gas well, and in a number of capped gas and oil wells in Alberta. The company also holds interests in undeveloped lands in western Canada and Newfoundland.

The company has improved its acreage position through participation in drilling in the Vulcan area of Alberta, Nottingham area of Saskatchewan and in southwestern Manitoba. In addition, Marigold has acquired interests in the House River, Simonette River, Whitelaw and Hilda areas of Alberta.

Recently, the company reported varying interests held in 560,742 gross acres, equivalent to 174,811 acres in the three prairie provinces and Newfoundland.

Mill City

Mill City Petroleums is actively expanding its interests in producing oil and gas wells in western Canada.

The company, which had interests in 35 producing oil wells, five oil and gas wells and 11 capped gas wells at the end of last year, has completed two further wells in the Joffre field and has obtained a 25% interest in six additional wells in the West Virden field in Manitoba.

Last year, Mill City participated in drilling 16 wells, of which nine are oil producers, the remainder dry. Land in which the company had interests amounted to 146,615 acres.

A contract has been signed with **Trans-Canada Pipe Lines** for sale of gas from the 11 capped gas wells in the Kessler field.

Net profit for the first four months this year was $74,390. Net profit for 1956 was $88,079, and in 1955, $96,960.

Mid-Western Gas

Mid-Western Industrial Gas Ltd., Edmonton, operates a pipeline and gathering system to supply natural gas from its own wells to industrial customers under long-term contracts.

Company entered into a 10 year contract with **Imperial Oil** giving Mid-Western the right to purchase residue gas from Imperial's absorption plant under construction at Redwater, Alta.

Mid-Western holds contracts to supply: **Sherritt Gordon Mines Ltd.** a minimum 2.8 billion cu. ft. per year; **Calgary Power Ltd.** 12 billion cu. ft. over a four-year period after the first full year's operation; **North Canadian Oils Ltd.** 7 to 14 million cu. ft. a day. Another major customer is the pulp mill of **North Western Pulp and Paper** at Hinton.

Proven gas reserves of company's developed properties are estimated at approximately 200 billion cu. ft. at Alexander Indian Reserve, Majeau and Westlock areas, all near Edmonton. Company also has access to 100 billion cu. ft. of flare gas in Alberta's Redwater field.

As a result of drilling, company's engineers estimate its gas reserves have increased by 20 billion cu. ft.

A successful well in the Alexander-Calahoo area gave an open flow potential of 59 billion cu. ft. daily. This is the third largest potential in the field, it is stated.

Company is concentrating on acquisition of additional gas reserves in area of its industrial customers, west of Edmonton, and has also made a proposal to the Pembina Operators Committee to purchase possible residue gas from the Pembina field for its Wabamun market.

Net profit of $74,145 for year ended Aug. 31, 1956 was up from previous fiscal year's $25,637. Earnings per share were 3c (1c in previous year). No dividends were paid.

Further revenue of from $25,000 to $30,000 monthly is expected from deliveries now being made to North Canadian Oils and sales totaling $1.4 million are anticipated for 1957, says President R. G. Campbell.

McColl-Frontenac

McColl-Frontenac Oil Co., Montreal, is a fully integrated oil company with producing interests in Western Canada. It operates refineries in Montreal and Edmonton, and distributes its products across Canada. It is controlled by the Texas Co. of the U. S., which owns a majority of the common stock.

Consolidated net profit of $12,765,028 for 1956 was up 24% over 1955's $10,283,094.

Net income for first nine months of 1957 increased to $11,152,502 ($9,334,556 in 1956).

Sales in 1956 increased to $142,873,785 from $115,120,907 in 1955.

Sale of all capital stock of company's Trinidad subsidiary, **Antilles Petroleum Co. (Trinidad) Ltd.**, to the Texas Co. was completed in August 1957.

Production of oil from wells in which company held interests totalled 4,399,291 bbl. in 1956 against 2,878,056 bbl. in 1955. Of these, 2,208,734 bbl. were produced in Canada, and 2,190,557 in Trinidad, compared with 1,708,444 and 1,169,612 bbl. respectively in 1955. Refineries processed 23,084,581 bbl. in 1956 up from 18,581,803 bbl. in 1955.

Company has under construction at its Montreal East refinery a 10,000 b/d hydrotreating unit with completion scheduled for March 1958.

Company controls 99.99% of the capital stock of Regent Refining (Canada) Ltd. See separate write-up on Regent Refining.

Nuco Pete

Nuco Petroleums owns or has participating interests in some 72 oil wells in Alberta and Saskatchewan, chiefly in the Lloydminster area.

Latest acquisitions are two wells at Lloydminster, Spokane Shannon No. 1 and No. 2, east of the company's Blackfoot wells.

Nuco estimated its combined recoverable oil reserves at 5.8 million bbl. a year ago.

N. B. Oilfields

New Brunswick Oilfields Ltd., Moncton, N.B. is engaged in the production of natural gas and the production, refining and distribution of oil and oil products.

It draws its supplies from the Stoney Creek Field, nine miles southeast of Moncton. It serves Moncton and district with natural gas and markets gasoline, furnace oil and heavy fuel oil locally. Company holds under Crown lease some 100,000 square miles, plus a further 3,000 sq. miles of tidelands in New Brunswick.

Company has granted to **Imperial Oil** a seven-year sublease agreement on one million acres, about 10% of its Crown lease lands.

Imperial will pay N. B. Oilfields $200,000 when the formal agreement is signed and must spend $400,000 on exploration and drilling in next three years. Imperial will pay the crown lease royalty plus 7½% to the company on all gas and oil produced from the sublease area.

In the year ended May 31, 1957, N. B. Oilfields' oil output was 20,043 bbl. (12,178 bbl. previous year) and gas production 194,625 mcf (190,219 mcf.).

Net loss of $18,845 for year ended May 31, 1957, compared with net profit of $19,294 the year before.

New Gas Ex.

New Gas Exploration Co. of Alberta, managed by **Canadian Atlantic Oil**, has varied interests in the natural gas export area of northeastern B. C., northwestern Alberta, and in gas and oil wells in western Canada and the U. S.

An offer to acquire stock of **Poplar Oils** on the basis of one share of New Gas for each five shares of Poplar was to expire toward the end of this year. Earlier this year, company held 1.5 million shares of Poplar out of 1.6 million outstanding.

New Gas expects that gas deliveries to **Westcoast Transmission** will provide a steady income source from the Pouce Coupe field. Negotiations have been under way for the unitization of the Cadotte zone gas in that field to bring about savings in development costs and operating expenses.

The company plans a drilling program in southeastern Saskatchewan, particularly in the Weyburn, Midale and Torquay areas, on lands which have been semi-proven by the activities of other companies.

Northern Ontario Natural Gas

Northern Ontario Natural Gas Co., operating in an area stretching from the Manitoba-Ontario border to Orillia, Ont. north of Toronto, will be ready to take first gas for its western section from the Trans-Canada gas pipeline on or before Dec. 31.

Company will be ready to distribute gas to Kenora, Dryden, Port Arthur and Fort William. Actually, an affiliated company — Twin City Gas Co.—holds the franchise rights to serve Dryden, Port Arthur and Fort William.

A long term contract to purchase upward of 100 million cu. ft. of gas daily has been completed with Trans-Canada. Major industrial consumers in Northern Ontario's marketing area will be pulp and paper companies, and mining firms.

Company has substantial expansion plans under study. They could involve extensions of laterals to the hot uranium site of Blind River-Elliot Lake; iron ore centre

(Continued on page 65)

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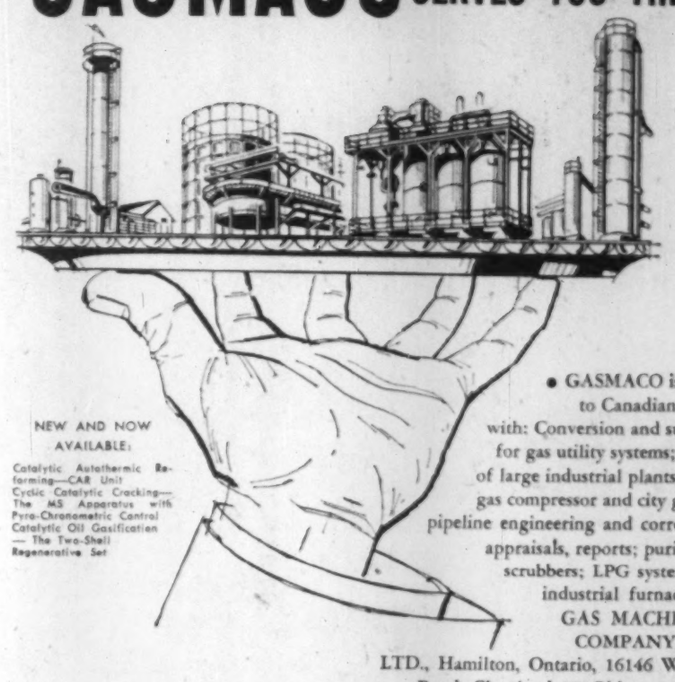

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Now if you'll excuse us, we have work to do. Mary Ellen is waiting for her oil.

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Companies

(CONTINUED FROM P. 64)

of Steep Rock at Atikokan; to new base metal camp opening up at Manitouwadge, Ont.; to other pulp and paper operations at Marathon, Terrace Bay, Sioux Lookout.

Exciting new process methods of converting low-grade iron ore to pig iron and steel, using natural gas as a basic fuel holds terrific potential for the company, officials claim. If the operation now being planned proves feasible on a commercial scale volumes of gas in company territory could be double present fifth year estimated requirements of 108 million cu. ft. daily, it is stated.

It is fully anticipated that in time International Nickel will become a major user of gas. It will be a market for limited quantities of gas starting in late 1958 but there are good prospects of negotiating a contract for very considerable quantities in the near future.

The 34 communities to be served by the affiliated Northern Ontario-Twin City team have an estimated population of approximately 306,000, representing an increase of some 40% over 1941. Estimated total cost of the current construction program to distribute gas in this area is placed at some $22.2 million (some $14.5 for distributing system $7.7 million for laterals). Program envisages installation of a total of 800 miles of mains and service lines.

But Northern has now stepped up its construction program through 1962 to a total of $30 million. The financing, now completed, together with net cash revenues from operation are considered sufficient to meet this $30-million construction program. Additional expansion plans, on which studies are now being made, could cost a further $15 million if they are implemented.

The financing consisted of an issue of $8 million 5¾% debentures and 400,000 npv common shares (offered in $30 units); and a $12-million issue of first-mortgage bonds placed with insurance companies in Canada and U. S.

In June 1936 Northern Ontario acquired a 50% interest in Twin City Gas Co. Later, because of a misunderstanding over proportionate ownership in Twin City to be held by Lakehead residents, a plan was worked out to make an additional common share offering available to Lakehead residents. This offering of 300,000 common npv shares at $3 a share is expected to be made in mid-December. For seven days the offering will be open only to Lakehead people. If it is not all taken up the financing companies have the permission to offer the remaining shares elsewhere.

Northwestern Utilities

Northwestern Utilities Ltd., Edmonton, is engaged in the production, transmission and distribution of natural gas to the City of Edmonton and 31 other communities in central Alberta with a population of 269,000. Company is controlled by **International Utilities Corp.,** New York (see separate write-up in this section).

Net profit of $2,085,484 for 1956 was 8.6% higher than 1955's $1,921,001. Earnings on common shares were $10.23 ($9.77). Dividends paid amounted to $4 ($4) on preferred, and $6 ($5.50) on common shares.

Company's natural gas sales increased 11.8% to a record 44.3 billion cu. ft. reports President D. K. Yorath.

Year's actual average temperature was colder than normal. Gross revenue from gas sold rose 10.5%. On basis of normal temperatures increase would have been 12%.

Maximum daily demand topped 241.7 million cu. ft. (225.7 million cu. ft.) Company says further supplies must be obtained in near future. It expects a report shortly on its gas requirements.

The 1956 record expansion program was finished before winter, largely due to favorable weather. Customers increased by 4,853 to 70,008.

Twelve new communities were connected to company's system of lines. New industrial customers included **Western Plywood Co., American Marietta Co. of Canada, Alberta Phoenix Tube & Pipe Ltd., Nadon Paving Ltd.,** and **Edmonton Steel Fabricators Ltd.**

Capital expenditures amounted to $5,442,365 in 1956, and 1957 is expected to top $4 million. Company started construction of a new seven-story head office this spring.

Two floors will be rented to others. Completion is slated for 1958.

Company says it may have to seek an increase in its rates because of rising costs. Existing rates have remained stable for some years, except for rates for more recent communities added to system.

Outstanding capitalization at Dec. 31, 1956, consisted of $16,771,500 funded debt, and $2,028,000 3⅞% promissory notes due Sept. 1, 1969, 105,000 4% cumulative preferred shares, $100 par, and 170,000 common shares, $25 par.

Pan Western

Pan Western Oils holds wide-ranging and varied interests in oil and gas wells and in acreage in Alberta, Saskatchewan and southwestern Ontario.

The company has interests in 14 oil and 10 gas wells in Alberta and a gas well in Saskatchewan.

In Ontario, Pan Western has been active on offshore acreage on Lake St. Clair and Lake Huron, has explored in the Bothwell - Thamesville and Tilbury areas.

In western Canada, the company's interests in wells are in the Saddle Hills, Gordondale, and Wabasca-Trout Mountain in Alberta, and the Hoosier, Hillfdale, Major and Cantal districts of Saskatchewan.

Parker Drilling

Parker Drilling Co. of Canada is one of Canada's major drilling companies, operating 12 fully-equipped drilling rigs in western Canada.

Revenue and earnings have been on a rising trend over the past few years. Net income in fiscal year ending in 1956 was $879,939 compared with $493,547 in 1954.

The company has been paying dividends since 1952, with an indicated current rate of 50c a share annually.

Prairie Oil

Prairie Oil Royalties has wide royalty interests in western Canada acreage and oil and gas wells.

Latest report places company's share of proven oil reserves at 1.4 million bbl. and probable reserves at a further 1.2 million bbl.

Royalty interests in 316 oil and gas wells were reported on Saskatchewan lands. Income increased in 1956 from the Fosterton-Gull Lake area and Midale field as a result of completion of pipelines.

Petrol Oil

Petrol Oil & Gas has been carrying out a stepped-up program of exploration and has placed its operations on a larger income-producing base.

Production rate earlier this year was 503 bbl. daily against the 238 bbl. daily average for 1956.

Petrol participated in drilling 25 wells in the 12 months ending June 13 this year. Of these, 13 were completed as oil wells and one well was suspended.

The company planned exploratory drilling, with others, at Maria Lake and Keystone and development of South Manor acreage. One location in the Fenn area has been farmed out for a free half-interest.

Petrol, with **Westburne** and **Western Decalta,** are reported to have purchased the Turner Valley producing properties of **Canadian Oil Companies** including interests in 36 oil wells equivalent to ownership of 23 net wells. Petrol's interest in the agreement is 12½%.

Petrol's net revenue last year was $301,754, up slightly from the year before and substantially higher than 1954. Net profit was $18,068.

Quebec Natural

Quebec Natural Gas Corp., Montreal, was formed to distribute natural gas on the island of Montreal, and the municipalities within a radius of 15 miles of the island. This territory has a present estimated population of 1.6 million and prospects are such as to extend this service to other fast-growing adjacent communities such as Jacques Cartier, Longueuil and Isle Jesus.

Company has acquired for approximately $39.1 million the gas distribution system of **Quebec Hydro Electric Commission,** the manufacturing facilities and other assets of **Montreal Coke Manufacturing Co.,** and nine Great Lakes bulk cargo vessels and other assets of Keystone Transports Ltd.

Rapid progress is being made in the 34-mile 16- to 24-inch diameter pipeline

(Continued on page 66)

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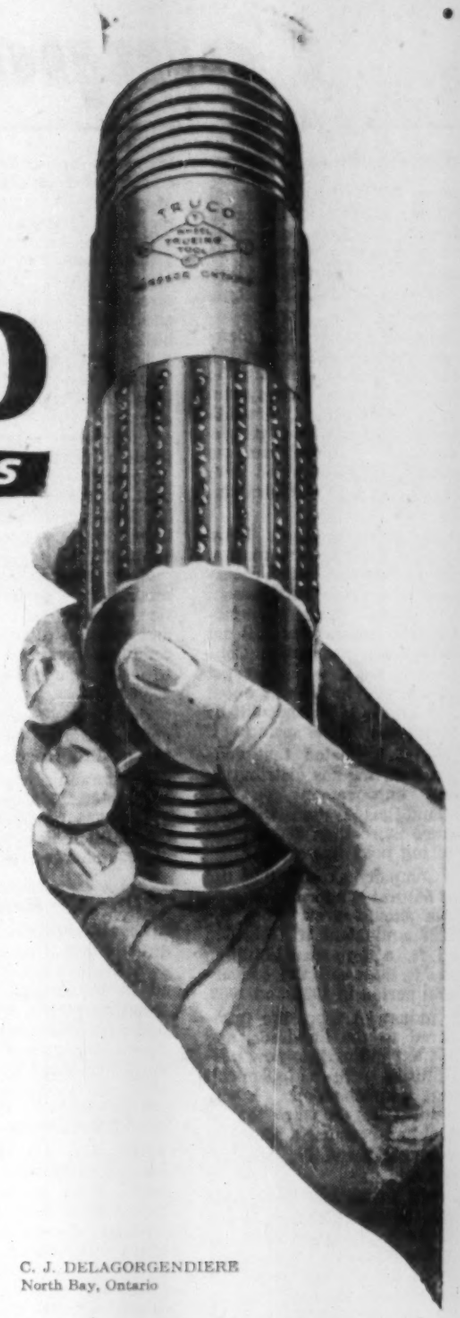

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CALGARY ALBERTA

Companies

(CONTINUED FROM P. 65)

across the centre of Montreal Island. Work was begun in July, is proceeding on schedule and was expected to be completed in November.

If **Trans-Canada Pipe Line** completes the Toronto-to-Montreal section of its planned pipeline extension by January to link up with the Quebec Natural Gas system at Senneville, Que., at western end of island — as anticipated — an interim gas supply will be obtained from the Sarnia area of **Union Gas Co.**

Montreal customers, however, will not receive natural gas at that time since necessary conversion of present appliances from manufactured to natural gas will not have beeen completed. Conversion work will only get under way in earnest about January 1, 1958, and will be completed by the spring.

It is estimated that construction for gas distribution and improvement on the Island gas system will require more than $30 million during next five years.

Company expects that use of natural gas for home services should grow from the 1956 equivalent of 2.5 billion cu. ft. to more than 12 billion cu. ft. between the conversion period in 1958 and 1962.

Industrial users are numbered in the hundreds, and are expanding into new possibilities such as chemicals and petrochemicals, where natural gas is more than a fuel and becomes a source of valuable derivative, Mr. Lucas said.

Mr. Lucas said there were 240,500 gas customers at end of 1956, of whom 95%, or 227,000, were residential. Basic heating customers are expected to increase from 2,400 to over 100,000 residential and commercial.

Regent Refining

Regent Refining (Canada) Ltd. is the new name adopted in August, 1955, by the Port Credit subsidiary of Trinidad Leaseholds Ltd., to identify the company more closely with the name mark "Regent" under which products are marketed. The company is a refining and marketing organization primarily, although over the last four years it has carried out some exploration and development work in the Leduc area.

Confining operations to the Province of Ontario, the company markets two grades of gasoline and a line of motor oils and greases through 470 service stations of which 138 are owned or leased by company itself. It also sells directly to commercial users and jobbers who purchase in bulk.

An agreement has been signed with Interprovincial Pipe Line which will link company's Port Credit refinery directly with the oil fields of western Canada.

Consolidated net profit of $841,033 for year ended June 30, 1956, was 13.4% higher than previous fiscal year's $741,562.

New units on steam September, 1957, include catalytic cracking polymerization and vacuum distillation and complete expansion program to bring crude capacity to 20,000 b/d.

Company is now owned approximately 99.99% by McColl-Frontenac.

Outstanding capitalization at June 30, 1956, consisted of $10,509,731 funded debt and two million npv shares and 450,000 shares $10 par.

Royalite Refining

Royalite Oil Co., Calgary, directly and through wholly owned subsidiaries is engaged in the production, purchase, gathering, transportation, refining and sale of crude oil, natural gasoline, propane, natural gas and sulphur, and in the exploration and development of prospective oil and gas lands.

Company owns and operates oil refineries at Kamloops, B.C., and Coleville, Sask., with total combined capacity of 10,000 b/d. In addition Prince Albert Refineries Ltd., wholly owned subsidiary, operates a 1,000 b/d refinery at Prince Albert, Sask. Royalite Hi-Way Ltd., another wholly owned subsidiary, operates a 6,500 b/d capacity refinery at Saskatoon.

Company has more than 450 bulk and service stations handling its products. Total gallonage of finished products sold through company marketing facilities and direct sales from refineries exceeded 155 million gallons in 1956.

Control of TOP-ALTA Gas & Oil Co., acquired in 1956, provides 38 outlets in the Grande Prairie—Peace River area.

At year-end 1956, Royalite held net interests equivalent to ownership of 1,769,160 acres. Company at the end of 1956 was operating 420 oil wells and 94 gas wells and had interests in 11 oil wells and 33 gas wells operated by others.

Net production of crude oil reached 2,382,940 bbl. during 1956. Latest estimate places total net recoverable reserves at more than 52 million bbl.

Company has mapped out a plan to develop the bituminous sands of northern Alberta. Engineering and design work is under way, and company hopes that its process may go into operation by 1960. Estimated cost is $50 million.

Net profit of $1,009,835 for 1956 was 56% higher than 1955's $643,437. Earnings per preferred share were $6.03 ($3.22 in 1955) and per common share 26c (13c). Dividends paid amounted to $1.31¼ ($1.31¼) per preferred share and 26c (26c) per common share.

Superior Propane

Superior Propane Ltd., Toronto, markets propane gas (liquefied petroleum gas) in Ontario and sells appliances and equipment for the use of gas. Company maintains storage plants in seven centres throughout the province as well as showrooms and a fleet of trucks. Company delivers in bulk as well as in 10-lb. containers.

Number of customers has increased to over 26,600 and sales for the first 10 months of 1956 were 8.4 million gal. (5.3 million in same period previous year).

Net profit of $202,954 for year ended Nov. 30, 1956, was 0.5% lower than previous year's $203,934 despite sharply greater sales and gross revenues.

There was a steady increase in gas delivered in bulk, and company is continuing a major sales effort to increase load per customer particularly through sales of additional appliances. There was a 15% increase in average gallonage consumed by company's domestic customers last year.

Company has joined Carl Mattaini in opening the first railhead supplied propane gas bottling plant in the Elliot Lake-Blind River area.

Permits have been obtained and construction will start immediately on a large bulk and bottling plant in Algoma.

Twin City Gas

Twin City Gas Co. construction of the distribution system at Port Arthur is well advanced. Work is also nearing completion on the Fort William system. Contracts for both the Lakehead cities systems are held by **Campion Pipeline Services**, Edmonton.

Construction is proceeding rapidly at Dryden where contract is under **Manitoba Gas Systems Construction Ltd.**, Winnipeg.

Company says no difficulty is anticipated, in completing that portion of the system scheduled for 1957 construction, prior to date **Trans-Canada Pipe Lines** will deliver gas to the communities.

This date was originally set for Nov. 1, 1957, but now estimated as no sooner than Dec. 15, 1957.

This later estimated arrival date for natural gas at the Lakehead and the Kenora and Dryden area is not expected to affect the conversion to the new fuel of industrial plants and larger commercial establishments. But it will likely restrict the residential load - building program this winter.

Other communities under the Twin City franchise: Red Rock, Nipigon and Geraldton.

Company has entered into an agreement with Northern Ontario to buy all its gas requirements from Northern for a term of 20 years ending in 1977.

United Fuel

United Fuel Investments Ltd., Hamilton, is a holding company which, through its subsidiaries is engaged in the manufacture of coke, gas, tar, sundry oils, etc., and in the distribution and sale of gas for industrial and household use in and around Hamilton, Ont. It has started distribution of natural gas and will convert remainder of the system to natural gas in 1958.

Company is controlled by **Union Gas Co. of Canada.**

Company's wholly owned subsidiaries are **Hamilton By-Product Coke, Ovens Ltd., United Gas & Fuel Co. of Hamilton Ltd., United Suburban Gas Co.** United Suburban Gas and **Wentworth Gas Co.**, another subsidiary which like United Suburban operated outside Hamilton, were amalgamated in April, 1956.

Consolidated net profit of $598,440 for year ended March 31, 1957, was 14% less than previous year's $697,295. Earnings per class A share were $6.65 ($7.75 previous year) and on class B and common shares $2.08 ($2.68).

Total volume of gas sales was up 14.1% with gross revenue from this source up $522,507 or 16.2%.

Company changed over from manufactured gas to natural gas in supplying the town of Dundas, and natural gas was made available to Georgetown, Milton and Acton.

All the United Suburban system's natural gas requirements have been arranged, under an agreement made with **Niagara Gas Transmission Ltd.**, and a new line from Union Gas' Dawn fields will provide United Gas & Fuel with natural gas, probably by late December or early January. Eventually the Union Gas system will tie in with the Trans-Canada Pipe Lines system from western Canada.

Union Gas

Union Gas Co. of Canada, Chatham, Ont., directly or through subsidiaries is engaged in the production, transmission and distribution of natural gas in southwestern Ontario. Company supplies major centres including London, Windsor, Chatham, Wallaceburg, Dresden and Petrolia. Stratford, Guelph, Strathroy, St. Mary's, Kitchener, Waterloo, and Hamilton are being served or expected to be served shortly, either directly or on a wholesale basis.

Consolidated net profit of $2,359,836 for year ended March 31, 1957 was 16.6% higher than previous fiscal year's $2,023,275. Earnings per common share were $3.34 ($2.86 in previous year).

Volume of gas sales was a record, up 1.7 billion cu. ft. to 15.2 billion cu. ft., says President David P. Rogers. Number of meters increased during the year by 5,079 to 98,672 at March 31.

Deliveries of gas by **Panhandle Eastern Pipe Line Co.** under increased purchase contract commenced in November 1956. Company expects to connect with **Trans-Canada Pipe Lines** in November 1958. The 140-mile pipeline being built from Dawn storage field to a point near Streetsville, outside of Toronto, is now completed and testing operations are under way.

Company acquired the interest of Imperial Oil in the Payne gas field, including producing wells, field equipment and gas on hand. This will be used for additional underground storage. Cost was $1,453,631.

Cost of additional facilities required for expansion is estimated at $29 million, of which $22.5 million was expected to be spent in 1957.

To handle large scale gas storage and transmission activities, company incorporated a wholly owned subsidiary, **Ontario Natural Gas Storage & Pipeline Ltd.** This subsidiary is taking over company's contracts.

In addition to $14,350,000 funded debt capitalization consists of 882,751 shares.

Western Naco

Western Naco Petroleums is stepping up activities in exploration and development of oil and gas in western Canada.

The company had interests in 42 oil wells and four capped gas wells recently, equal to 12.49 net oil wells and 1.4 net gas wells.

Naco participated in drilling 20 oil wells, resulting in one gas discovery, two oil discoveries and 13 oil development wells in latest fiscal year ending May 31. Since then, three producing oil wells have been completed.

Total oil production before royalties in latest year amounted to 119,728 bbl., an increase of 55% over the previous year.

Land holdings amounted to 1.3 million gross acres at mid-year, equal to 171,998 net acres. Net proven oil reserves were estimated by Dome Exploration (Western), which manages the company, at about one million bbl., excluding 750,000 bbl. of probable reserves.

No reserves are shown for Hughenden, where company has been active recently, until further drilling has been done and production history available.

Net proven gas reserves are given as 3.8 billion cu. ft.

West Maygill

West Maygill Gas & Oil continues to expand its oil and gas interest in western Canada.

Interests in 25 producing oil wells and 32 gas wells, equal to 8.5 net oil and 11.5 net gas wells, were held by the company at mid-year. In addition, interests are held in over 135,000 acres, equal to nearly 60,000 acres on net basis, in Alberta, Saskatchewan, Kansas and Wyoming.

All original land in Saskatchewan has been sold and replaced with acreage offsetting production at Alida and Eureka in Saskatchewan.

Net recoverable light oil reserves at mid-year were estimated at 840,000 bbl. proven, 2.6 million bbl. probable and 6.5 million bbl. possible. Gas reserves totaled 105.3 billion cu. ft. including 60.8 billion proven, 6.8 billion probable and 37.7 billion possible.

West Maygill has an agreement with **Northwestern Utilities** covering all the company's gas reserves in the Viking-Kinsella field.

X. L. Refineries

X. L. Refineries Ltd., Dawson Creek, B.C. operates a refinery with production of 2,000 bbls. per day to serve the Peace River area with crude oil supplies coming from the Sturgeon Lake field.

Refinery is situated on about 28 acres on outskirts of Dawson Creek and includes a crude skimming unit, thermal-cracking unit, catalytic reforming unit and treating units for gasoline and kerosene.

The refinery at Dawson Creek, B.C. in which **Pacific Petroleums Ltd.** is a majority shareholder went on stream in May 1956.

The capacity of the thermal cracker is now 740 bbl. per day and of the reformer 500 bbl. per day.

In 1958 installation of a vacuum distillation unit for production of asphalt is planned at an estimated cost of $350,000.

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Here's the personnel carrier, pick-up truck, station wagon or panel delivery that will get you there when the going is really rough. Land-Rover's sturdy construction with a rugged box section frame that is rust-proofed inside and out . . . the long life features built into the powerful 126 cu. in. engine . . . the powerful transmission which gives you 8 forward speeds and 2 reverse (12 forward power combinations) . . . the 12-volt heavy duty electrical system . . . the optional front and rear power take-offs . . . all add up to make Land-Rover top favourite for tough going.

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IN CONTRACT TO
TRANS-CANADA PIPE LINES and
NORTHWESTERN UTILITIES, LIMITED

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Inland Natural Gas Co. Ltd. has recently completed a $25,000,000 project to bring natural gas to Interior British Columbia. More than 300 miles of transmission pipeline and 27 distribution systems carry natural gas to electric generators, light and heavy industry, business premises and residences in this fast growing Province.

The Company is completely integrated. Inland transmits and distributes natural gas, while wholly-owned subsidiaries are engaged in exploration and development of natural gas reserves in the Peace River district of British Columbia and Alberta.

Inland NATURAL GAS CO. LTD.

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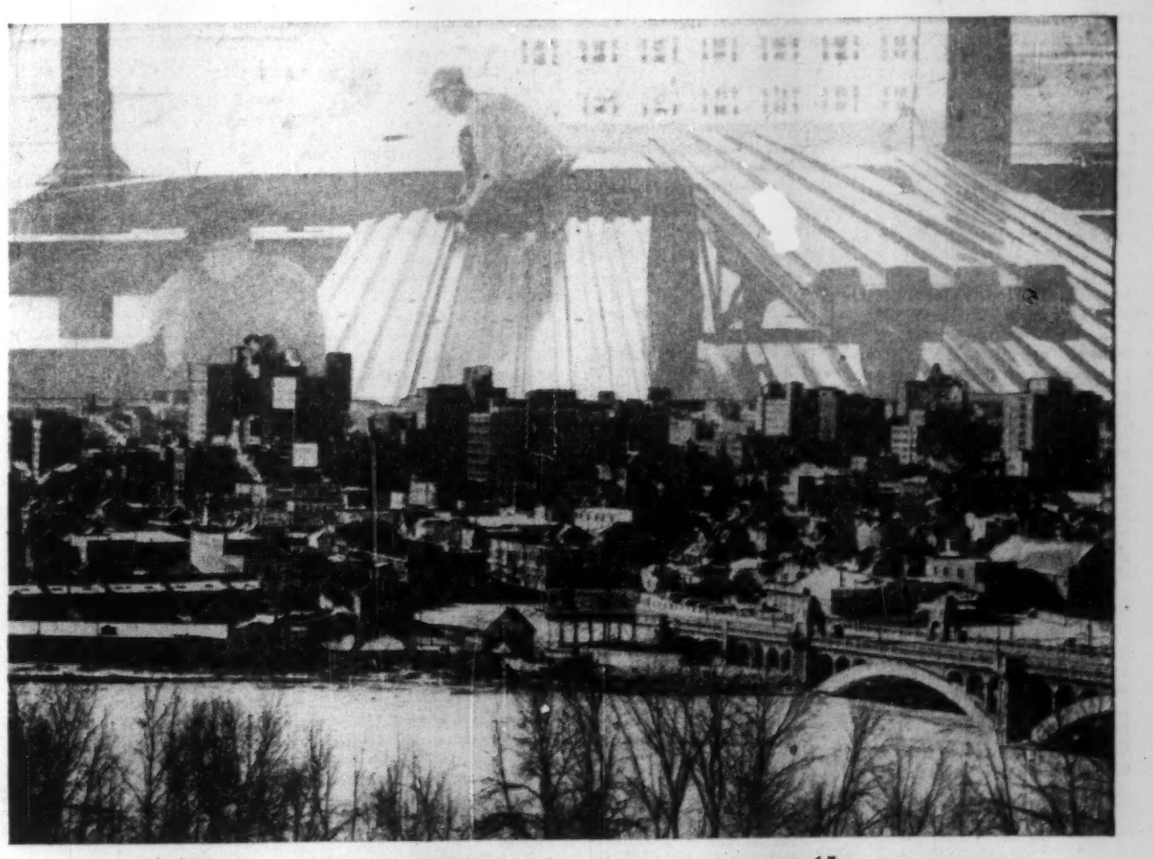

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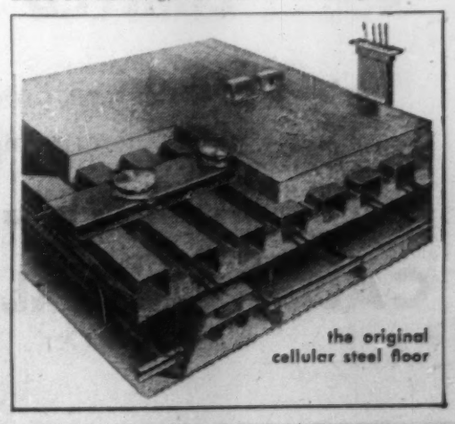

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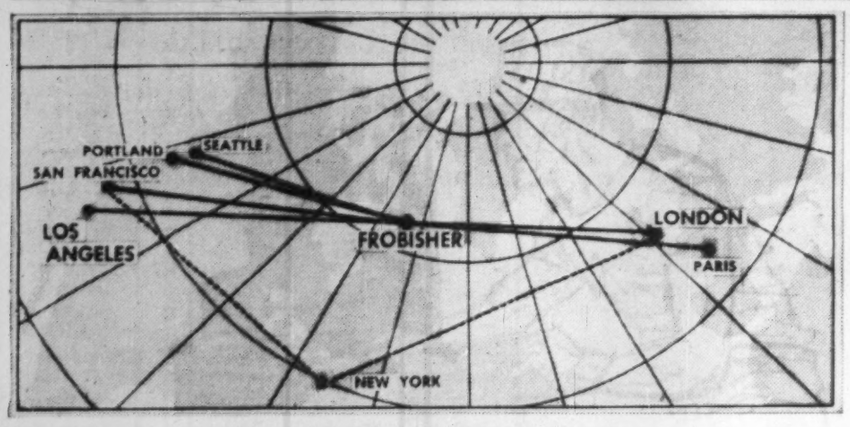

REFUELING on top of the world. Shell Oil recently built a 3,360,000 gal. storage tank to cater for this rapidly expanding airport, at Frobisher Bay, Baffin Island, 200 miles from the Arctic Circle. By being able to refuel here, airlines have made huge cuts in time on flights to Europe. This map shows the easy way from the West Coast airports to London and Paris.

Petrochemicals

Unparalleled Growth in Canada

Growth in petrochemicals —dynamic, offshoot of the petroleum industry — has been unparalleled by any other industry in this country since end of World War II.

From an early wartime investment of around $40 million in one synthetic rubber plant at Sarnia the industry has expanded until today it represents some two dozen plants with a capital outlay of over $300 millions.

The program is still in high gear. At least four more plants on the drawing boards, or in construction, will mean an additional outlay of around $60-$75 millions.

The list of products pouring out of these plants—resembling rather closely modern oil refineries — is lengthening every month. They are finding their way into almost every aspect of modern living — synthetic rubber, synthetic fibres, resins, plastics, fertilizers, anti-freeze, solvents, etc.

In North America today there are over 3,000 petrochemicals in everyday use and the number is increasing by about 300 every year. Petrochemicals not only compete with other long-established products but have also been responsible for entirely new products.

Actually on a volume basis petrochemicals represent about one-quarter of all industrial chemicals produced in Canada and U. S. and on a value basis would represent about 50%.

Experts are now forecasting that by 1965 the physical share may have risen to 50% and the dollar value to about 75% of that of the entire chemical industry.

The raw materials for this young but rapidly growing industry are the hydrocarbons present in crude petroleum and natural gas.

In Canada so far bulk of the operations are based on crude oil. It is expected that once the Trans-Canada gas pipeline is completed to eastern Canada there will be a spurt in petrochemicals based on natural gas.

In Canada the petrochemical producers are either located close by the major refining centres of Sarnia and Montreal or near the lowcost natural gas fields of western Canada.

The making of high quality gasoline provides refinery gases and liquid streams which the refiner himself often does not require and which can be fed directly into a petrochemical plant.

Great Expansion

The very great expansion in refining capacity which has grown up in Sarnia and Montreal East over the last several years has made available large streams of refinery gases for petrochemical operations. As a result bulk of Canada's new plants are based at these sites.

Despite the tremendous growth of petrochemicals and the rapidly expanding consumption of petroleum hydrocarbons only about 2% of all crude oil and natural gas produced in North America is going into manufacture of petrochemicals.

But in the process the crude oil and/or natural gas hydrocarbons are upgraded in product value anywhere from 10 to 15 times.

This, of course, is what enables the petrochemical plant operator to pay attractive prices to the refiner to install special equipment to collect and deliver the required waste gases to him as fuel.

In some cases it is the petrochemical plant itself which takes delivery of the entire refinery gas streams, separates out what it wants itself and then delivers the remainder back to the nearby refiner again to be used in making gasolines or just burned under boilers.

But the trend is rapidly changing both here and in U. S. as demand and price for these hydrocarbon raw materials shoots up.

More and more, the refiners will find it profitable to install special equipment to boost to the maximum—consistent with production of their own refined products—the quantity of these hydrocarbons required by petrochemical plants.

The major example of this is the currently building $28 million plant of **Imperial Oil** at Sarnia, Ont.

This unique new petrochemical plant to be completed next year will recover hydrocarbon raw materials from company's own expanding refining operations and sell them to industry as ethylene, butylenes, butadiene, propylenes.

Behind the decision for such an undertaking is the firm conviction that consuming chemical plants will either build nearby — to be close to the flood of raw material — or those established will in time expand their operations and thereby increase their requirements for hydrocarbon raw materials.

Another example of a refining company installing special equipment to make tailor-made raw materials for the petrochemical industry is that of **Canadian Oil Cos.** at its expanding Sarnia refinery.

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After exhaustive field tests 200 watt control stations were set up at La Joie, Seton, Shalalth, Pemberton, Squamish and Vancouver—each equipped with automatic emergency power supplies to take care of any unforeseen power failures. These are supplemented by 19 service vehicles fitted with 50 watt Spilsbury & Tindall mobile radiotelephones for local communications with the control stations.

If trouble strikes, the system enables work crews to be readily dispatched to the scene of the breakdown. These crews can report damage without delay and arrange for any additional help needed. Should main telephone lines also be down, load dispatch and other vital communications can still be maintained by radio.

For small operations as well as major engineering enterprises—on sea or land—over the most difficult terrain—Spilsbury & Tindall radio communications play an ever-growing part. At most locations simple, low-cost equipment (plus expert planning) is all that is needed. Write today, without obligation, on YOUR communications problem to: S & T Sales Ltd., 44 Water Street, Vancouver 4, B.C., or S & T Sales Ltd., 620 Golden Avenue, Ottawa 3, Ont.

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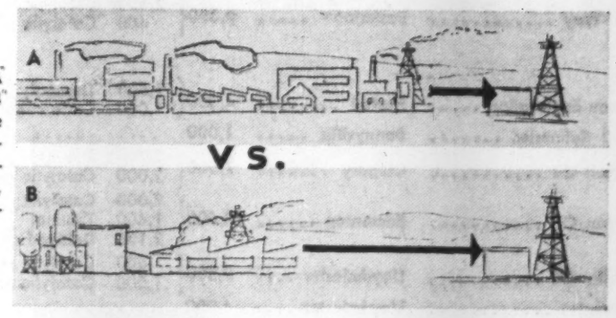
... as an aid to business

* LOGISTICS—THE SCIENCE OF SUPPLY

EXAMPLE: Company "A" versus Company "B" They market the same product to the Oil Industry. "A" has personal contact, a Plant on the spot, one-fourth the distribution costs.



Any supplier to the Oil Industry of Canada who has not manufacturing facilities in Calgary had better take careful stock of the following facts: Calgary is the Head Office location of ninety percent of Canada's Oil Industry. More and more suppliers are moving in to cut distribution costs, be closer to top management. Not only that, Calgary is more attractive to all industry than any other City in North America. Two planned Industrial Locations offer one low PACKAGE DEAL including deep base roads, rail lead, water, power, natural gas and sewage supply in the plant site cost. Cost itself is among the lowest anywhere with all those plusses! Utility costs are very low, water and power are in full supply at industry rates. Now's the time for your business to come to CALGARY . . . where the business is!

GET THE FACTS . . . TODAY!

For full details, plus rates and current vital statistics write K. S. Ford, Coordinator of Industrial Development, City Hall, CALGARY, Alberta, Canada.

THE LOGISTICAL CASE for your move to CALGARY:

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2. **Planned Industrial Locations, your choice of TWO!**
3. **Low-cost electric power at industrial rates.**
4. **Natural Gas in quantity supply at low cost.**
5. **Plentiful water all year round.**
6. **Competitive freight rates at Canada's crossroads.**
7. **Stable labor force nearby—locations are within city area.**
8. **All utilities supplied to site for cost of site alone.**
9. **Good industrial neighbors like G.M., Firestone, Goodrich, Crane, Willard, Prest-o-lite, etc.**

THE MOVE IS ON TO

Calgary

Canada's Oil Capital -where the business is!

Oil Refinery Capacity By Provinces

	Nov. 1957		Nov. 1956		Nov. 1955		Nov. 1954	
	Crude Oil	Cracking	Crude Oil	Cracking	Crude Oil	Cracking	Crude Oil	Cracking
N. S.	44,500	17,000	42,000	13,800	18,000	10,000	18,000	10,000
N. B.	300	.....	300	.....	300	.....	300	.....
Que.	260,800	131,200	247,000	139,700	220,000	129,700	178,000	105,100
Ont.	207,500	90,600	164,500	82,900	148,500	79,900	148,500	79,900
Man.	35,000	7,375	32,000	11,175	27,500	10,675	20,500	6,575
Sask.	71,000	26,600	71,000	32,800	66,800	38,450	65,800	37,950
Alta.	86,150	34,850	82,400	36,150	83,900	35,300	72,550	32,400
B. C.	68,000	28,340	67,000	26,100	58,500	22,850	56,500	22,100
N.W.T.	1,300	.....	1,300	.....	1,250	.....	1,250	.....
Total	774,550	335,965	707,500	342,625	624,750	326,875	561,400	294,025

Capacities of Operating Refineries

Name of Company	Refinery Location	Crude Oil Capacity (Bbl. per 24 hrs.)	Cracking Capacity (Bbl. per 24 hrs.)	Plant Type
Nova Scotia				
Imperial Oil	Imperoyal (Halifax)	44,500	17,000	Catalytic
			6,300	Catalytic reforming
			4,500	Catalytic polymerization
New Brunswick				
New Brunswick Oilfields	Weldon	300	....	.....
Quebec				
British American Oil	Montreal East	50,000	22,000	Catalytic
			630	Catalytic polymerization
			13,000	Catalytic reforming
Canadian Petrofina	Pte. aux Trembles	20,000	16,000	Catalytic
			3,600	Catalytic reforming
Imperial Oil	Montreal East	71,800	19,500	Catalytic
			4,200	Thermal
			5,000	Catalytic polymerization
			9,450	Catalytic reforming
McColl-Frontenac Oil	Montreal East	59,000	24,000	Catalytic
			14,000	Thermal
			12,000	Catalytic reforming
			1,500	Catalytic polymerization
Shell Oil of Canada	Montreal East	60,000	22,500	Catalytic
			9,000	Thermal
Ontario				
British American Oil	Clarkson	61,500	11,600	Catalytic
			4,500	Thermal
			1,260	Catalytic polymerization
			10,000	Catalytic reforming
Canadian Husky Oil	Fort William	4,000	1,000	Catalytic reforming
			1,000	Dieselforming
Canadian Oil Companies	Sarnia	30,000	3,500	Thermal
			8,400	Catalytic reforming
			13,000	Catalytic (fluid)
			1,200	Catalytic polymerization
			3,650	Udex
Imperial Oil	Sarnia	77,000	20,000	Catalytic
			16,000	Thermal
			13,500	Catalytic reforming
Regent Refining (Canada)	Port Credit	20,000	2,300	Platforming
			4,000	Thermal
			7,000	Catalytic
Sun Oil	Sarnia	15,000	11,000	Catalytic
Manitoba				
Anglo-Canadian Oils	Brandon	3,000	1,375	Thermal
			35	Catalytic polymerization
			1,000	Platforming
Imperial Oil	Winnipeg	18,000	6,000	Catalytic
North Star Oil	St. Boniface	12,000	5,200	Catalytic reforming
			450	Catalytic polymerization
Radio Oil Refineries	Winnipeg	2,000	....	.....
Saskatchewan				
British American Oil	Moose Jaw	15,000	4,500	Catalytic
			1,500	Thermal
			2,250	Delayed coking
			390	Catalytic polymerization
Consumers' Co-Operative Refineries	Regina	16,000	6,500	Vacuum distillation
			5,000	Catalytic
			3,000	Low pressure coking
			500	Catalytic polymerization
Canadian Husky Oil	Moose Jaw	3,000	600	Catalytic reforming
			1,000	Dieselforming
Imperial Oil	Regina	22,500	8,500	Catalytic
			4,500	Thermal
			2,000	Catalytic polymerization
Northern Petroleum	Kamsack	1,000	....	.....
Petroleum Fuels	Moose Jaw	1,000	....	.....
Royalite Oil:				
Coleville Refinery	Coleville	5,000	....	.....
Prince Albert Refinery	Prince Albert	1,000	....	.....
Royalite Hi-Way	Saskatoon	6,500	2,600	Catalytic
			400	Catalytic polymerization
Alberta				
Anglo-American Exploration	Hartell	4,000	1,500	Thermal
			1,000	Catforming
Bonnyville Oil Refineries	Bonnyville	1,000	....	.....
British American Oil	Calgary	7,500	2,500	Thermal
			2,000	Catalytic reforming
British American Oil	Edmonton	8,500	2,000	Catalytic
			1,400	Thermal
			2,100	Delayed coking
Canadian Husky Oil	Lloydminster	8,500	500	Catalytic reforming
			1,000	Catalytic desulfurization
Excelsior Refineries	Lloydminster	4,000	....	.....
Imperial Oil	Calgary	6,750	4,600	Thermal
			750	Alkylation
Imperial Oil	Edmonton	28,500	8,500	Catalytic
			6,000	Thermal
			2,000	Catalytic reforming
			4,500	Catalytic
			3,000	Catalytic reforming
McColl-Frontenac Oil	Edmonton	11,900	3,000	Thermal
			2,200	Delayed coking
			500	Catalytic polymerization
North Star Oil	Grande Prairie	2,500	875	Catalytic reforming
			850	Thermal
Wainwright Producers & Refiners	Wainwright	3,000	....	.....
British Columbia				
Imperial Oil	Ioco (Vancouver)	23,00	7,700	Catalytic
			2,340	Catalytic polymerization
Royalite Oil	Kamloops	5,000	1,400	Catalytic
			250	Catalytic polymerization
			1,000	Catalytic reforming
Shell Oil of Canada	Shellburn (Vancouver)	20,000	5,000	Catalytic
			4,500	Thermal
Standard Oil of B. C.	Burnaby	18,000	9,000	Catalytic
			2,400	Catalytic polymerization
			2,750	Catalytic reforming
X-L Refineries	Dawson Creek	2,000	740	Thermal
			500	Catalytic
Northwest Territories				
Imperial Oil	Norman Wells	1,300	....	.....

NOTE: Catalytic polymerization, alkylation, delayed coking, and reforming do not represent cracking capacity but are listed for information purposes.

Oil-Gas Stocks Mirror Development Patterns

Western oil and gas stocks faithfully mirrored the changing fortunes and patterns of development in the industry this year.

And like the rest of the market, oil issues marked the end of a three-year long rise with a sharp setback that started this summer.

Briefly, here is the picture of oil and gas stock price movements this year as measured by the Toronto Stock Exchange index of representative issues.

—At current levels, oil and gas issues are down about 33% from the highs touched in mid-summer. They are at the lowest levels since early 1956.

—These issues chalked up an overall advance of about 27% to their high before the slump set in. The TSE index is about 6% above its low for the year.

—Compared with a year ago, the index shows a drop of 11%.

Key factor in the setback was a sharp reversal in the pattern of growth in the oil industry.

Like many other segments of the Canadian economy, the oil industry moved into a period of oversupply.

General economic conditions like tight money were among the initial factors that set the base for the reversal of oil and gas stocks.

The disruption of Suez was partly responsible for subsequent build-up in surplus stocks of refined products.

But, it is significant that oil and gas issues continued to advance well after major industrial issues had started their downtrend.

To many investors, oil and gas stocks were considered attractive because they represented natural resources.

Inflation was discussed freely as a danger and traditionally, resources in the ground are considered hedges against inflation.

Early in 1956, when oil and gas issues were continuing their previous advances, these were among the reasons behind continued brisk buying.

—Major integrated oil and pipeline organizations provided the leadership. They were opening up new markets, particularly on the West Coast of the U. S. The first shipment by tanker of Canadian crude oil was made.

—There was still a reaction to the Suez crisis with foreign capital pouring into Canadian oil and gas developments, as a result.

The industry operated at a peak in exploration and development activity, making successful new discoveries.

But the market setback in oil stocks came abruptly and sharply. Key was a sudden reversal in the U. S. West Coast market for Canadian crude. World tanker rates fell, closing the California market.

In Canada, growth in demand for oil products appeared less than anticipated. Also, new discoveries in Saskatchewan and rapid development of fields in that province started biting into Alberta producers where allowables were cut.

More wells producing meant less per well.

Illustrating the change in tune in the oil industry were spring estimates of an average daily output of 570,000 bbls. anticipated for the full year.

Now, it is estimated that production will total 500,000 bbls., still up from 1956 but obviously well below the anticipated level that had provided a strong support to the stock market.

As oil producers weakened from their peaks, gas issues began to attract increasing attention.

Gas pipelines were particular favorites with all indications pointing to rapid build-up of markets and a fast rate of growth for this new industry.

This was the year of the pipeline financing and construction. Investment attention was focused on this phase of the new industry initially.

But after a full-scale boom in pipeline securities, attention started to turn to the many companies in Western Canada which will benefit from gas development through sale of gas from their

Utilities which were busy developing new markets for gas also attracted investment attention.

Gas pipeline and gas producing stocks generally appear to have made the best showing in the market throughout the period of decline.

High spots among individual issues in oils was **Trans Mountain Oil Pipe Line** which continued the rise started in 1956 from about the $45 level.

It pushed ahead to a top of about $145 before tumbling sharply to a recent level of about $63 and hitting a low of $54.

This issue reflected more than any other stock the vagaries of oil marketing to the U. S. West Coast.

Growing participation by foreign interests and a general strengthening of the financial resources of Canadian oil firms was evident.

Rio Tinto organization participated in financing **Devon-Palmer** as **Devon Petroleum** and **Rio Palmer Oils** merged.

Western Decalta also attracted European money and **Scurry Rainbow Oils** and **Canadian Pipelines** was another corporate marriage in a period when the industry generally enjoyed investor confidence and strengthened itself for the future.

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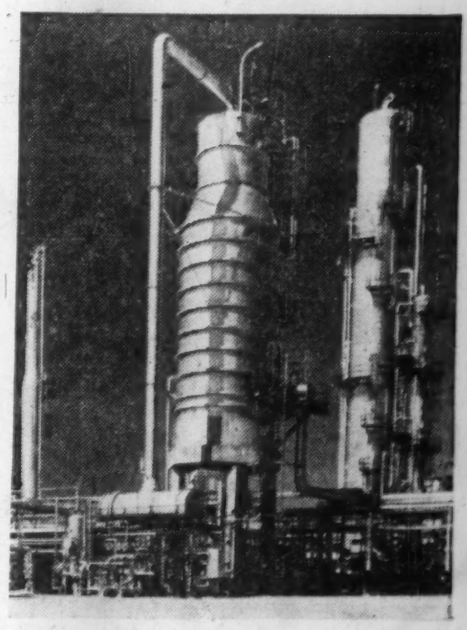

• Inglis Refinery Vessels at the new Crude Plant of British-American Oil Co. Ltd., Clarkson, Ont.

Inglis Refinery Vessels

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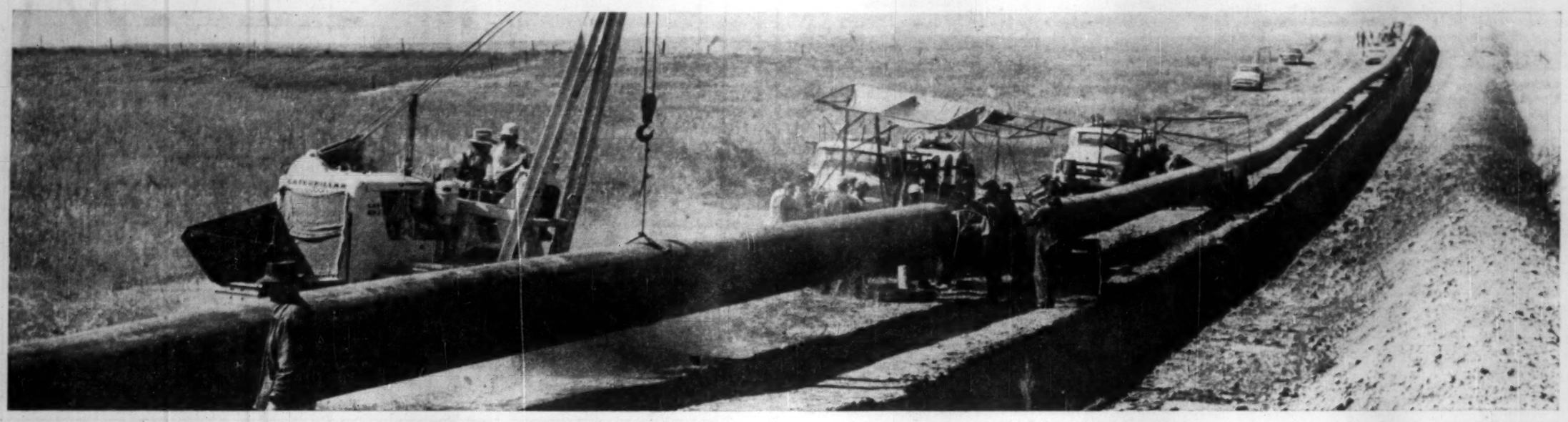
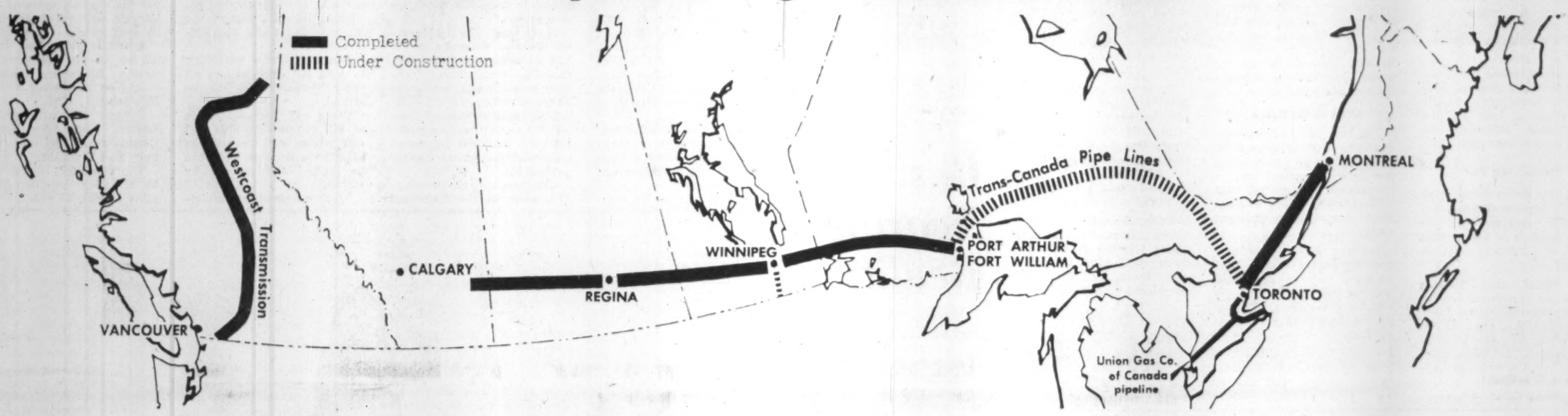


Our Spreading Gas Arteries



Canada's 'Gas Era' No Longer Just a Dream

CANADA'S exciting natural gas story is being written on many fronts:

- **In the rugged terrain** of northern Ontario where pipeline construction crews have just won a hard-fought, 310-mile race against winter.
- **In a gay gathering** in the piled-up snows of Fort St. John, B. C., where valves were opened to start the flow of Peace River gas though Canada's first major gas pipeline.
- **In the House of Commons** where Prime Minister Diefenbaker stood up to announce appointment of a Royal Commission to conduct Canada's first national investigation into the energy picture.
- **In the Federal Power Commission** hearings room in Washington where legal representatives for a group of U. S. pipeline companies opposing imports of Canadian gas into the Midwest boisterously informed the presiding judge that the new Canadian government would not live up to former government commitments on gas export.

Canadian gas in its year of greatest accomplishment presents a kaleidoscope of fast-moving scenes shifting swiftly across the country.

It dwells successively on the Alberta producer, the "big inch" transmission line builder, utility companies in a score of Ontario towns, federal, provincial and municipal officials.

Past are the idealistic days of "gas in the future."

▲ ▲ ▲

Everyone now, in this $1 billion program to bring a new energy across Canada, is engaged in a hard, down-to-earth, dollar-and-cents effort to implement the dream.

And as in every similar phase of any such huge undertaking the going gets rough at times. Sudden unforeseen obstacles crop up; other situations that were dreaded oddly enough prove unimportant and easily overcome.

The long, open fall weather, for instance, has been a tremendous boon to the pipeline builders working desperately to reach 1957 construction targets before winter halts all work.

Construction of the 310-mile, 30-in. **Trans-Canada** pipeline from the Manitoba-Ontario border to Lakehead—some of the roughest terrain a pipeline was ever pushed through—has just been completed.

Testing operations are now going on and first gas will flow within another week or two.

This will mean that before end of this month Alberta gas will be flowing through some 910 miles of pipeline across Saskatchewan and Manitoba east

By W. L. DACK

as far as the Lakehead cities of Port Arthur and Fort William.

Further east, construction on the 310-mile, 20-in. line from Toronto to Montreal is virtually finished, along with two laterals—one to Lindsay, Ont., the other to Ottawa.

Testing is under way and hopes are to have gas flowing through the line before year-end.

Gas for this link will be supplied by **Union Gas Co. of Canada** from its southwestern Ontario storage fields.

The gas will be repaid to Union in kind over a two-year period once the Trans-Canada line is completed next year and Alberta gas made available.

Probably by far the most important thing in the whole gas picture at the moment is the indicated rapid market build-up in Eastern Canada and on the West Coast.

This has been considerably beyond even earlier expectations and is leading to a serious re-appraisal of Canada's export position.

Movement by each of the two major lines — Trans-Canada and Westcoast (including export) — of maximum throughput rate of around 650 million cu. ft. daily is seen not only possible but practically certain within four or five years.

This means that both lines must have major looping programs under way by that time to provide the added capacity for the next round of expansion.

This in turn will necessitate:

- **More development** in the gas fields.
- **Proving up** of greater gas reserves.
- **Provincial and federal** government approval for the greater gas movement to markets.

Already Trans-Canada is back in a buying role in Alberta.

The rapid growth in the Canadian market plus the three major gas export proposals now seeking government approval has pointed up the urgent need for a careful, expert study of the whole gas picture in this country and the drawing up of a clear-sighted policy on export.

The recent appointment of a Royal Commission to look into the whole energy picture is seen a long overdue move.

The Commission will study and report on practically all important phases of the natural gas picture—current developed and indicated gas reserves, current and future domestic requirements.

It will make recommendations on export policy and government controls —if any—thought necessary to safeguard the public's interest.

Prime Minister Diefenbaker has stated in Parliament that his government will await the recommendations of this Commission before making any major moves on gas export.

He also intimated that the government may not live up to the gas export commitments made by the former Liberal government.

These statements have been far from popular with Alberta gas producers and government authorities.

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They have also been a sore blow to the big U. S. gas transmission companies—**Tennessee Gas Transmission** and its affiliate, **Midwestern Gas**—battling before the Federal Power Commission in Washington for permission to import the 205 million cu. ft. daily contracted for from Trans-Canada.

The U. S. coal interests and the three major gas pipeline firms spearheading the opposition to imports of Canadian gas into the Midwest are now claiming the Diefenbaker statements have sounded the death-knell of the entire import project. The coal interests entered a motion to kill the hearings on the grounds that the appointment of a Royal Commission indicates a lengthy delay at best before export permission can be given.

A Federal Power Commissioner, however, dismissed the motion to kill the hearing.

The reasons:

No one knows whether there will be a long delay in granting export permission, and the Diefenbaker government has not specifically rejected a promise of an export license made by the former Trade & Commerce Minister C. D. Howe.

The Commissioner warned, however: "Failure of the Canadian authorities to act timely and definitively may very well cause the Commission to consider that the Midwestern and Tennessee applications have reached the end of the road."

Fully alive to the threat of loss of the U. S. Midwest market strong pressure is being brought to bear on Mr. Diefenbaker, particularly by Alberta government and petroleum authorities, to reconsider his stand and do everything possible to speed up a favorable decision on gas export.

One suggestion is that the new Commission swing onto the Trans-Canada gas export case right away and come up with an interim decision on this point as soon as possible.

Right now applications seeking sizeable export of Alberta gas for the U. S. West Coast market are before the Alberta Oil & Gas Board.

Westcoast Transmission is seeking to augment its export of gas by up to 170 million cu. ft. daily via a new 170-mile pipeline from the Savanna Creek field in southwest Alberta, to hook up with a vast inland distribution system in the U. S. Pacific Northwest.

Alberta & Southern Gas is seeking permission to export some 450 million cu. ft. of gas daily to California via a $330 million, 1,300-mile pipeline starting from southwestern Alberta.

These projects are offering the most favorable prices yet to Alberta producers and the Alberta & Southern proposal provides an attractive pipeline load factor right from the start of operation.

▲ ▲ ▲

But it is practically certain that Ottawa will not rush a decision on these export proposals. Their eventual fate, of course, will depend largely on the recommendations to be brought down by the Commission.

Certain key officials in the present government feel Alberta has nothing to lose by waiting an extra year or two for export.

Gas is not a wasting asset and the demand and price trend has been steadily upward since end of World War II.

They feel that gas export arrangements finalized in a couple of years could be much more attractive to producers than deals completed today.

But many Alberta gas producers and government authorities claim natural gas reserves available right now would look after Canada's long-term requirements and leave enough for sizeable export.

What's more, a major gas development program now could be of great benefit to Alberta at a period when the oil industry is being hit by declining market demand.

Western Canada's reserves are placed at anywhere from 24 to 27 trillion cu. ft.

A prominent western gas authority forecasts that reserves will grow at a rate of 12-15% a year.

This would mean that total reserves should be around 60 trillion cu. ft. by 1967.

(Continued on page 70, col. 4)

Gas Marketing Outlook

A way across Canada the marketing outlook grows pro-S the world's longest natural gas pipeline snakes its gressively brighter.

With construction of the **Trans-Canada** pipeline now 60% complete and one full year's work yet to be done, indicated market is such as to make virtually certain start on contruction of a second line within five years.

Several of the largest distributors have indicated that within a year they will be in the market for 1963 contract volume increases ranging from 40% in one case to 100% in another.

On top of these normal distributor markets are the fuel and raw material requirements of several very large industrial applications, particurlaly in the metallurgical and petrochemical fields.

A number of top iron ore and steel firms including domestic and foreign companies are looking into the feasibility of establishment of a huge direct ore to sheet steel operation based on exciting new process developments by a Canadian metallurgist for somewhere in Northern Ontario.

The gas requirements of such a project would be tremendous—about as much again as the capacity of the presently building Trans-Canada gas line.

Because of the rapid growth of the gas market in eastern Canada and the indicated potential requirements, Trans-Canada officials have had to jump back into the gas buying role again in Alberta.

Under the existing export agreement with the Alberta government, Trans-Canada has been assigned 4.35 trillion cu. ft. of Alberta gas for export eastward out of the province.

Daily limitation of the gas movement was set at a peak of 650 million cu. ft.

There are strong indications now that these daily peak requirements will be met by 1961-1962.

With a peak pipeline capacity of 600 million cu. ft. daily east of Winnipeg it is obvious that plans must be readied within the next couple of years for a large-scale looping of the line, the first loop being east of Winnipeg.

Undoubtedly the most important developments in the whole Trans-Canada pipeline picture in recent weeks have been:

- **Appointment of the Borden Commission** by the new Conservative government to look into the entire energy picture in this country and paticularly with respect to export.
- **Competitive bidding** for Alberta gas by two other major gas pipeline firms with export plans.
- **Prime Minister Diefenbaker's** recent statement that the government might delay approval of Trans-Canada's standing gas export contract with **Midwestern Gas Transmission.**

(Continued on page 70, col. 1)

Gas Markets

Canada's Plans and Problems

(CONTINUED FROM P. 69)

The Borden Commission has been especially assigned to look into the Trans-Canada picture, particularly on prices being charged prospective export customers.

But other aspects of Trans-Canada development —such as possibilities of federal controls — will be studied at the same ime.

Recently Mr. Diefenbaker indicated that the government might not honor the former liberal government assurance on Canadian gas export into the U. S. Midwest until the Borden Commission made its recommendations.

This assurance was given **Tennessee Gas Transmission Co.**, Houston, Texas, with whom Trans-Canada has an export contract, by the former Minister of Trade & Commerce C. D. Howe.

Although it is strongly felt the new government will be inclined to support the export gas assurance, the fact that it will await the Commission hearing is likely to prolong — if not something worse—the gas import hearings before the Federal Power Commission at Washington.

In the meantime the three major U. S. gas pipeline firms opposing Tennessee's gas import proposal look on the Diefenbaker statement as fresh ammunition for their cause.

Reassuring Too

But if the Conservative leader's pronouncement was a little disappointing to Trans-Canada in one respect it was at least reassuring in another.

It meant that Ottawa would not approve export of gas in the other two pipeline proposals, soon to be considered by the Alberta government, at least until the Borden Commission findings were available.

The two other gas export proposals are:

- **The recently - formed Alberta-Southern Gas Co.** to export some 450 million cu. ft. of Alberta gas daily to the Californian market.
- **Plans of Westcoast Transmission Co.** to feed Savanna Creek gas in southwest Alberta into the U. S. Pacific northwest market via a new 175-mile pipeline.

Both companies are offering gas field prices considerably above what Trans-Canada paid in its initial gas purchase contracts a couple of years ago.

Prices of up to 15c-16c per mcf have been reported.

Although ready to pay more for its extra gas needs, Trana-Canada claims it connot afford to match some of the fancy offers of its West Coast competitors.

Such prices would jeopardize the whole competitive position of Alberta gas in Eastern Canada, they claim.

Trans - Canada officials would like to see all applications for further gas export turned down by the federal government for at least another three or four years so that the primary market—Eastern Canada—would be given time to more clearly indicate its potential.

Boon to the Boom

The long open fall weather has been a tremendous boon to the pipeline construction crews racing against time to reach their designated 1957 targets before winter weather closes down all construction work.

It's virtually certain now that all phases of the 1957 program will be completed on time and that Alberta gas will be available as far east as the Lakehead cities this winter.

At the same time the 310-mile Toronto - to - Montreal eastern section will also be completed and operating by late December.

Here's the story in detail:

Trans-Canada's 34-in. diameter line has been completed to Winnipeg and testing operations are believed now completed.

Pipeline work has also been completed on the 85-mile stretch from Winnipeg to the Ontario border and testing operations are now being carried on.

Northern Ontario Pipeline Crown Corp. — the Crown body doing the northern Ontario construction job — has now completed the 310-mile rugged section from the Manitoba border to the Lakehead cities and the pipeline is now being purged and tested.

Barring any unforeseen problems, Alberta gas should be flowing through the line to Port Arthur-Fort William and intervening points by end of December.

Work is well advanced on the Toronto-to-Montreal section of line.

It is expected that all testing operations will be completed in time to have gas flowing to Montreal and intervening eastern Ontario centres by year end, or very shortly afterward.

In a unique gas "swap" deal this area will be supplied with southwestern Ontario and U. S. gas from **Union Gas Co. of Canada** for one year pending completion by late next year of the Trans-Canada line and delivery of Alberta gas.

Under the arrangement between Trans-Canada and Union Gas the gas loan will be repaid in kind from Western Canada once the line is completed next year.

Swap Deal

This gas swap deal will make possible an extra year of gas market build-up in Eastern Canada before the Trans-Canada pipeline arrives.

Among municipalities involved are Trenton, Port Hope, Cobourg, Belleville, Deseronto, Napanee, Gananoque, Prescott, Ottawa, Cornwall and Montreal Island.

To serve its own expanded territory and the eastern Ontario market, Union Gas Co. is rushing to completion a 150-mile pipeline that will deliver gas from its own Lambton county fields, near Chatham, Ont., to Lisgar, Ont., on the western outskirts of Toronto where it will hook up with the Trans-Canada pipeline system.

Welland Tubes Ltd. pipe mill at Welland, Ont. is turning out some four miles of 26-in. pipe daily for this job and the construction crews are rushing it into the ground as rapidly as possible.

This Union Gas pipeline will serve two other very useful purposes as far as Trans-Canada is concerned.

In the peak demand days in the winter Trans-Canada will likely be able to draw off the company's storage supplies.

In the low-demand period in the summer Trans-Canada will be able to make use of Union's extensive storage capacity in the Dawn fields.

Plans are well advanced to complete the big Trans-Canada undertaking next year.

Contracts covering construction of the 367-mile, Port Arthur to Kapuskasing, Ont., stretch of the Trans-Canada gas pipeline have now been awarded by the Northern Ontario Pipe Line Crown Corp.

The contracts, divided into five work spreads of varying lengths, involve a total estimated expenditure of $20,827,789.

The work is to be completed in the 1958 construction season.

In the meantime the **Northern Ontario Natural Gas Co.** and its associate, **Twin City Gas Co.**—which have franchise privileges to serve some 34 communities in northwestern Ontario stretching from Kenora to Orillia—are pushing their program for municipal distribution as rapidly as possible.

Construction of distribution lines in the Lakehead cities is nearing completion.

Same thing is true of the Kenora lateral and distribution system.

Company is now preparing to send out engineers to all other municipalities to be served.

Plans call for completion of all engineering this fall and winter and preparation of specifications so bids can be invited and let out by spring.

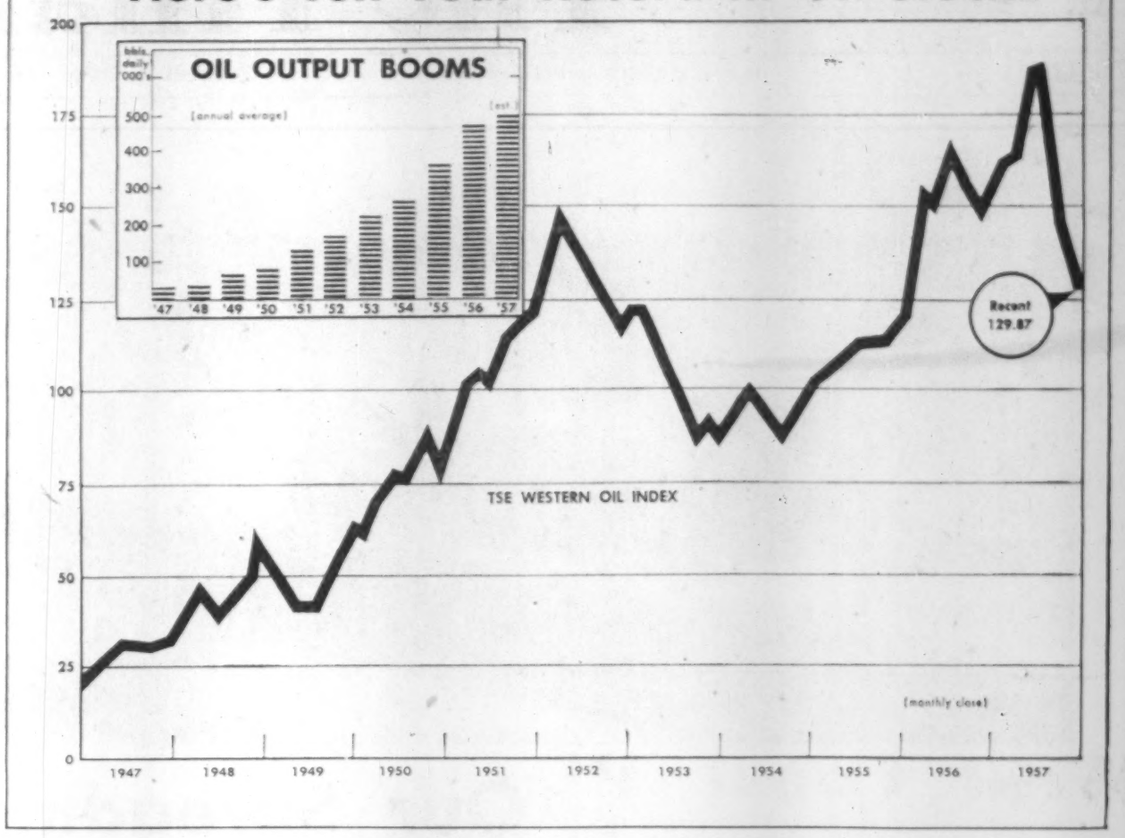
Work on all other municipal distribution systems and laterals will get under way by next spring.

Schedule calls for completion of all the work in time to make first delivery of gas on contracted date of November 1, 1958.

Biggest job will be the laterals from the Trans-Canada main line into Sudbury and Timmins.

The Sudbury lateral will be 82 miles long; the Timmins lateral, 31 miles.

Here's Ten-Year Record In Oil Stocks



Gas Era Nearing Reality

(CONTINUED FROM P. 69)

Right now it is estimated that reserves are increasing at the rate of 2 to 3 trillion cu. ft. annually; most of this incidental to the search for oil.

Recent major gas discoveries, particularly in the foothills area of southwestern Alberta, will add tremendously to reserves.

The more exciting looking finds have been at Windfall, East Calgary, Waterton, Wimborne, Crossfield, etc.

The big Pembina oilfield will also be a large producer of gas once facilities have been completed to make use of the flare gas.

Just how fast will the Canadian market for gas grow anyway? How important a part in the over-all energy picture will this relatively new fuel play?

Numerous estimates have been made, all of them based on the consumption trend in the U. S.

The most widely accepted forecast is that contained in the recent Gordon Commission preliminary study on development of energy resources. This report forecasts that natural gas which supplied 4% of Canada's overall energy requirements' in 1953 (the estimate is between 5-6% this year) will zoom to 25% over the next 25 years for the biggest increase of any energy source. In this period, the report estimates, domestic consumption of natural gas will increase 10 or more times.

Already the experience of two major distributors in widely different parts of the country—**B. C. Electric** and **Consumers' Gas Co.**—would seem to bear out the forecast trend.

But every one of the major distributors who have signed long term gas purchases with either Trans - Canada or Westcoast are talking substantially boosted contracts over the next couple of years.

Demand as a fuel—or raw material — in several big industrial applications, particularly in the metallurgical and petrochemical fields, could boost requirements far beyond even the current expanded forecasts.

A top Canadian metallurgist working on the exciting direct reduction of low-grade iron ore to pig iron and sheet steel, sees a potential natural gas requirement in Northern Ontario for such processing steps sufficient to tax the entire capacity of the presently planned Trans-Canada pipeline.

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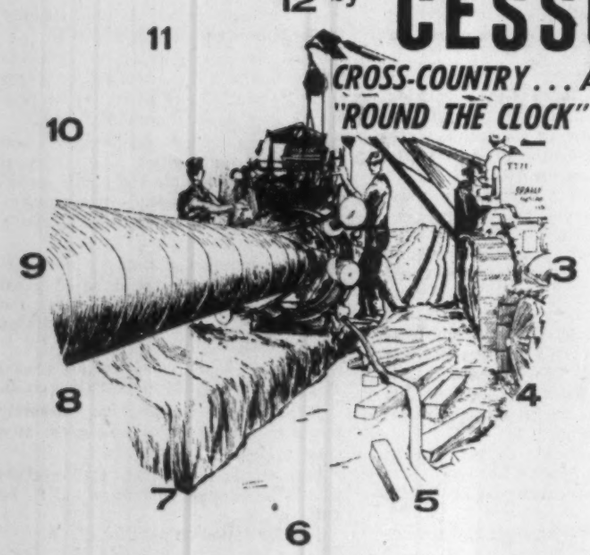

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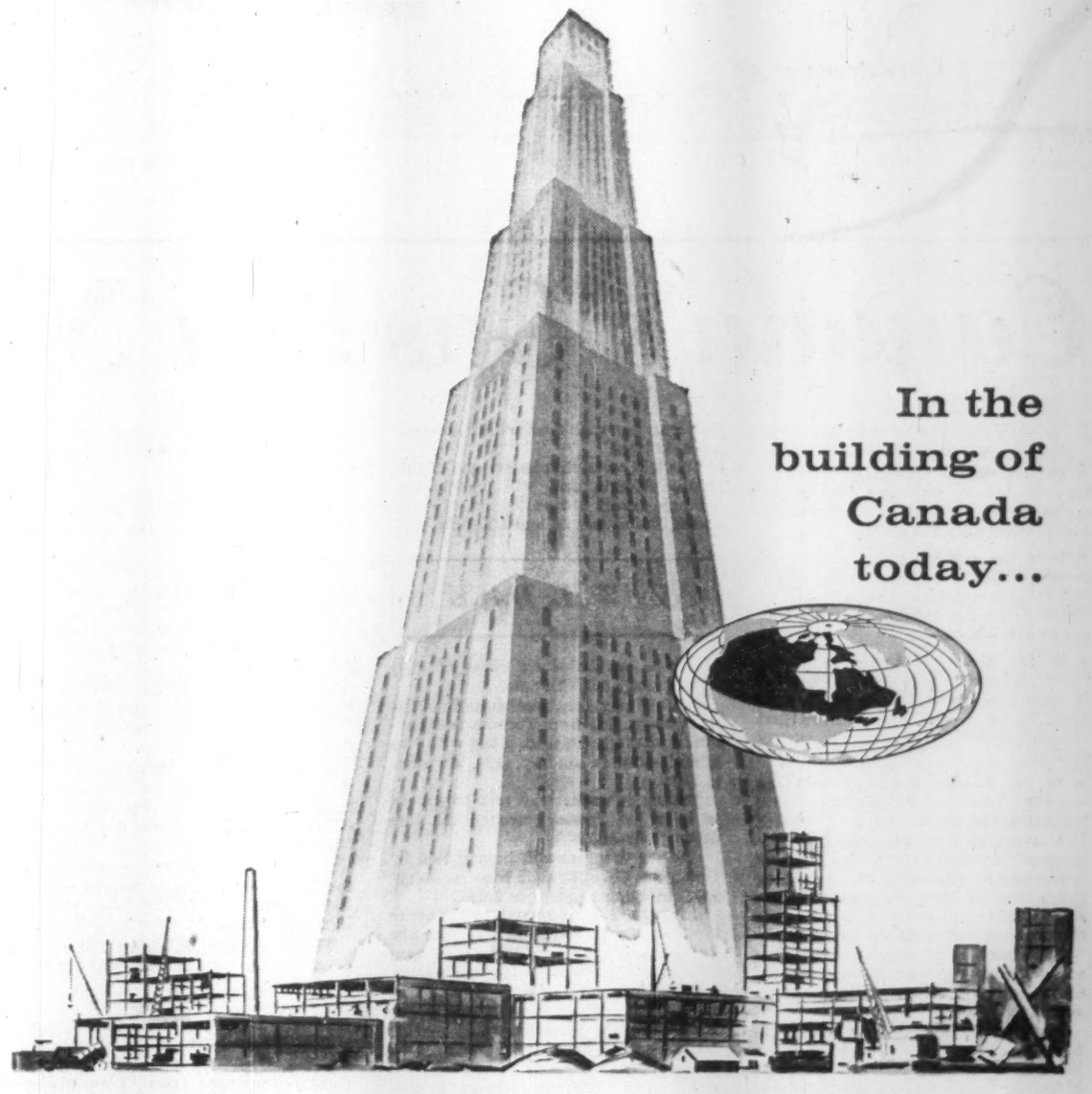

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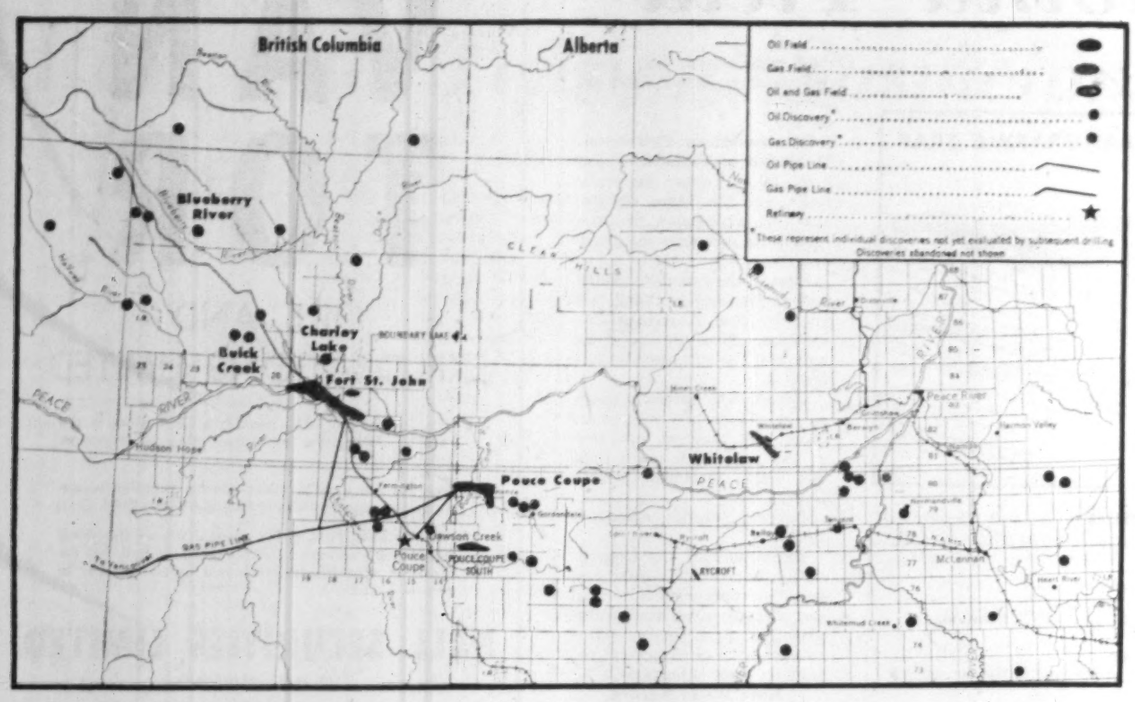

West Coast Pipeline

Big Market Waits Gov't Okay

Almost lost in the festivities surrounding the gala opening of Canada's first major gas pipeline — **Westcoast Transmission** — was the announcement from **B. C. Electric Co.** head, A. E. Grauer, that his firm would buy Peace River gas for a giant new thermal power plant.

The contract will call for up to 144 million cu. ft. of gas daily, the gas to be transported to the heavy electric demand area in the Lower Mainland of B. C. via the recently completed Westcoast Transmission pipeline.

Mr. Grauer indicated that Peace River gas would be a major fuel in supplying the increasing electricity demand in this fast-growing part of the province.

This is just one of the reasons why Westcoast head Frank McMahon is already speaking confidently of the construction of a second parallel line from the Peace River area.

Paul Kayser, dynamic head of the big El Paso gas distribution system in the U. S. Pacific West Coast area, makes no bones of the fact that he is after virtually all the gas Westcoast can supply him.

Already through the associated **Pacific Northwest Pipeline Co.**, Kayser will be taking some 300 million cu. ft. daily of Peace River gas via the Westcoast pipeline.

The Westcoast line makes connection with the Pacific Northwest pipeline at a point near Sumas on the international border between B. C. and Washington state.

Through this interconnection with Pacific Northwest which in turn is connected with the lines of **Colorado Interstate Pipeline Co.** serving markets in Colorado and adjacent states, and the pipelines of **El Paso Natural Gas Co.** serving New Mexico, Arizona and California markets, gas transported through the Westcoast pipeline is available to supply the entire Pacific Coast and midwestern states.

Rapid Growth

Energy requirements are growing more rapidly in this area than any other section of the U. S.

The indicated growing demand for natural gas in the urban California areas, for instance, is such as to propel both Mr. Kayser and top officials of his largest utility customer — **Pacific Gas & Electric** of San Francisco — right into the Canadian gas pipeline scene.

Just recently a newly formed gas pipeline company — **Alberta & Southern Gas Co.** — representing chiefly Pacific Gas & Electric Co. participation — made formal application to the Alberta Oil & Gas Conservation Board for permission to export some 450 million cu. ft. daily out of the province to the San Francisco area.

A peculiar twist in the whole West Coast export deal is that both major gas supplier and major utility buyer in southern California are opposing each other with competitive pipeline proposals out of Alberta.

Mr. Kayser has been active with Westcoast's Mr. McMahon in planning and promoting another line from the southwestern part of Alberta to feed additional Alberta gas into the extensive West Coast system of **Pacific Northwest Pipeline Corp.**

This additional line, announced some time ago by Westcoast Transmission, would be 175 miles long and would feed mainly Savanna Creek gas through the Crows Nest Pass area to join up with pipelines extending as far south as California.

The proposed 1,300-mile long Alberta & Southern lines, also drawing on southwestern Alberta Gas, would go directly to San Francisco and there would tie right into Pacific Gas & Electric's extensive distribution system feeding San Francisco and area.

There has been considerable competition between the two groups in lining up gas purchase contracts in Alberta and the gas price has been bid up sharply.

Applications have now been filed by both companies and the Alberta Oil & Gas Board is expected to start hearings of the two proposals in December or early in the New Year.

The Alberta & Southern proposal, by inviting participation from two of the major gas utility companies in Alberta and promising supplies of purchased gas to these firms, have sought to present a project that might be viewed very favorably from the Alberta standpoint.

It is thought very unlikely that the Alberta government would give approval to both projects since the lines would be paralleling each other and in the final analysis would be serving essentially the same major market in the U. S. Pacific Coast area.

In any decision it might make, too, the Alberta Oil & Gas Board must be very mindful of the current policy of the federal government on gas export—as recently expressed by Prime Minister Diefenbaker—to bar any export approval until the recently appointed Royal Commission to look into the whole Canadian energy picture presents its recommendations.

When that will be is hard to forecast at this time.

It might take one or two years. It is likely that with the heavy pressure from Alberta the Commission will be requested to speed its investigation and recommendations.

It is quite conceivable, however, that the Alberta Board deciding the case on its present merits only will find in favor of one proposal and then subsequently have the whole export blocked by Ottawa.

Already there has been some criticism from Alberta quarters on the personnel of the Borden Commission.

The complaint has been that no representative from Alberta was included and that not one of the Commission members had any great experience with natural gas operations.

But regardless of the fortune of these new gas export proposals Westcoast Transmission is believed to face a very bright future.

It is "in business" with sizeable long-term sales contracts both in B. C. and the U. S. West Coast, and its associated company — **Pacific Petroleums Ltd.** (holds 1 million shares of Westcoast)— has a big share interest in the extensive Peace River gas fields.

Reserves here have been estimated at anywhere from 3 to 5 trillion cu. ft. **Pacific Pete** and associates have been active over last couple of years proving up the gas and tying in the wells and fields by a spreading gathering system.

It is proposed to construct additional gathering lines in 1958 by extension northwesterly of the gathering system. It is anticipated that gas throughput in the system will be increased to 400 million cu. ft. daily during the first full year of operation as the gathering system is extended and additional hp installed in the pumping stations.

Westcoast's two major Canadian customers are **B. C. Electric Co.** — owning and operating the extensive gas distribution system in the heavily populated Lower Mainland area — and **Inland Natural Gas Co.** with a finished inland pipeline system that will supply the Okanagan Valley area and the Trail-Kimberley section.

Following is a summary of the maximum daily quantities of gas which (subject to certain all-important options to increase) the company may be obligated to deliver to the three chief customers during the 20-year period of the contract:

	Inland Natural Gas	B. C. Electric	Pacific Northwest
	million cu. ft.		
First period	28	40	200
Second period	36	50	250
Third period	43	50	300

Westcoast management has indicated that the company will move very rapidly over the next couple of years to boost pipeline capacity to the peak level of 660 million cu. ft. daily.

This will require expenditures of an estimated additional $55 million in construction of additional pumping capacity and laying of extra gathering lines.

Laying Plans

But with potential gas markets in several years of around one billion cu. ft.— based on indicated expanded requirements in the U. S. West Coast and greater needs in B. C. as well—company is already starting to lay plans for construction of a second "big inch" gas line that would parallel the present 650-mile line from Fort St. John to the Sumas area.

Such a program, however, is dependent on approvals from the Alberta Oil & Gas Conservation Board, the federal government and the Federal Power Commission in U. S.

Since bulk of Peace River gas is both wet and sour it must be processed before feeding it into the Westcoast line for transportation southward.

Because of this, three separate processing plants have been built at Taylor Flats, near Fort St. John.

Along with some additional gathering system, total outlay for this section is around $40 million.

It includes a $15 million gas scrubbing plant to remove such wet hydrocarbons as propane, butanes, natural gasoline and hydrogen sulphide; a $3 million sulphur plant; and $15 million refinery and aviation gasoline processing units.

Pacific Petroleums and several other Peace River producers are participating in the scrubbing plant.

Phillips Petroleum Co., along with Pacific Pete, are participating in the refinery and aviation gasoline units; **Jefferson Lake Sulphur Co.** has constructed the sulphur plant and will be in charge of all sulphur operations.

Sales of these by-products —which will expand as gas throughput expands — will bring an extra sizeable source of revenue to the whole Westcoast operation.

It will supply heavy tonnages daily of sulphur for the whole West Coast pulp and paper industry.

Propane will be used extensively in heating throughout the province, particularly in areas remote from natural gas pipelines. Butanes may present more of a sales problem for awhile.

Complete cost of pipeline along with gas processing units is placed at approximately $175 million.

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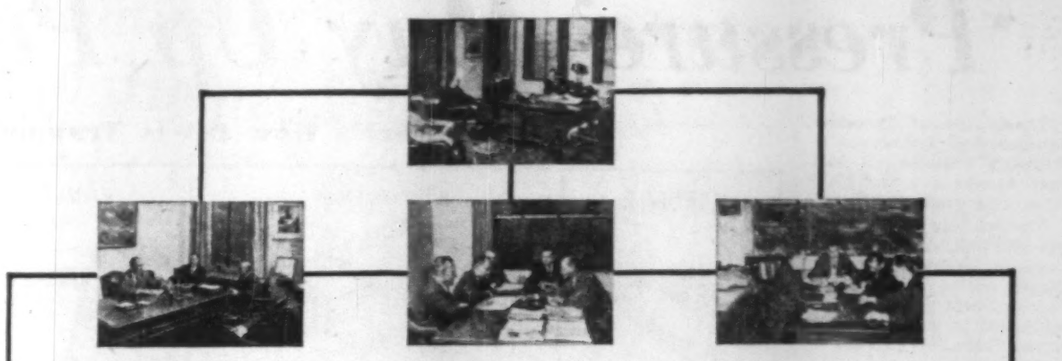

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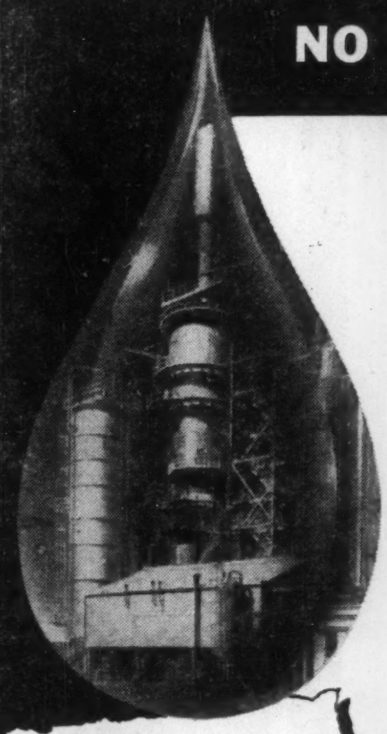

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***CRUDE OIL**
(millions of barrels)

	Annual Production	Recoverable Reserves
1952	59	1,557
1956	120	2,935
1960	200	4,000

***NATURAL GAS**
(billions of cubic feet)

	Marketed Production	Marketable Reserves
1952	70	12,050
1956	150	22,500
1960	550	26,800

GOVERNMENT OF ALBERTA
DEPARTMENT OF MINES & MINERALS

HON. E. C. MANNING, Minister — H. H. SOMERVILLE, Deputy Minister

* Taken from the Alberta Government Submission to the Federal Royal Commission on Canada's Economic Prospects.

For complete facts write: RICHARD MARTLAND, Director, Industrial Development Branch, Legislative Bldg., Edmonton, Alberta.

'Pressure' May Up Pembina Yield

Timely use of "pressure maintenance" techniques in Alberta's Pembina oil field may up the eventual yield from some areas 2½ times.

The Pembina field is, in superficial area, although not in capacity, competing as the largest on the North American continent and is already estimated at nearly 400,000 acres. There may be more of it.

The East Texan field, by comparison, extends to only 100,000 acres.

Production at Pembina is now running at around 3 million bbl. a month.

One big trouble with the field, discovered by **Socony (now Mobil)** in July, 1953, is that pressure has always been low and has fallen off sharply in four years of exploitation.

Because of this, engineers and geologists are divided in their opinions of how much oil may finally be extracted.

Many reckon that of an estimated 5.5 billion bbl. in the ground only 700 million, or about 13%, can be extracted by normal pumping.

Side by side with this disturbing drop in pressure there was an increase in the gas-to-oil ratio.

By forcing water down some of the wells into the oil-bearing Cardium sandstone as oil and gas are withdrawn from neighboring wells instead of waiting until the wells have ceased to produce, total recovery may now be increased to nearly 40%.

It seems fairly certain that this figure could not have been approached if secondary recovery techniques of this sort were delayed.

There are about 1,750 wells in the area and more than 40 operators.

The Pembina field, which is about 70 miles southwest of Edmonton, is technically of the "stratigraphic trap" type (see diagrams above).

As in other fields, the oil is believed to originate in the decomposition of organisms that once lived in a sea covering the region.

Their remains accumulated on the floor of the old sea in the form of sludge and this was later covered by subsequent depositions of rock.

Resultant oil often then migrated to porous areas of rock more suitable as reservoirs.

Energy usually builds up in an oil field through one or more of three factors:

- Dissolved gas;
- A "gas cap" over oil that has already in solution as much gas as it can take; and
- Upward pressure from water below.

Where water provides the driving force it may be possible to extract anything from 30 to 80% of all the oil present in the underground reservoir, using "primary recovery." This is to say, without supplying any additional drive except the pumps needed to bring the oil to the surface.

This is the most favorable type of reservoir.

Gas caps, on the other hand, operate like the compressed carbon dioxide in a soda syphon.

They are not as efficient as water drive but they still permit between 25 and 45% of the oil to be extracted.

The poorest yield may usually be expected from fields that reply only on the pressure of dissolved gas within the oil. They may be below 15% and are seldom higher than 35%.

The action in such cases may be likened to a bottle of warm beer that is suddenly uncapped and overflows but leaves always a considerable amount of beer behind it in the bottle.

Pembina is such a field.

The only force moving the oil toward the well is the expansion of gas released from solution within the reservoir.

As more oil is removed, pressure in the vicinity of the well bore is again lowered and more gas comes out of solution and expands.

Continued extraction of oil allows pressure to decline at points further and further from the well.

Oil flows toward this low pressure area from increasing distances away until the well is depleted to a point where the drive is no longer effective without some form of artificial boost.

The Cardium sand in which the oil is trapped is at depths which vary from 4,500 ft. to 5,800 ft.

It is in the form of a fine-grained quartzy sandstone of up to 25 ft. thickness.

The initial reservoir pressure stood at 2,715 lb. per sq. in. when it was first tapped.

When pressures began to fall sharply as the field was opened up there was an immediate move to see how the situation could be improved.

Canadian Seaboard Oil Co. went into partnership with **Bailey Selburn Oil & Gas Ltd., Honolulu Oil Corp., Merrill Petroleum Ltd., Canadian Petrofina** and **Great Plains Development Co. of Canada** to commission a survey.

The task was undertaken by **James A. Lewis Engineering Inc.**, of Dallas.

Three Respond

The Lewis survey indicated that of four areas studied, three, comprising about 11,200 acres in the Buck Creek and Wolf Creek areas, promised to respond well to water injection.

There was good reason to believe that it might even treble recoveries.

A fourth area of 5,760 acres in the Buck Lake region was not so promising as far as water flooding was concerned because of its lower porosity and permeability. It did, however, lend itself to gas injection.

One of the major points made by the Lewis survey was that there should be no delay.

Alberta Petroleum and Natural Gas Conservation Board was approached and gave Seaboard an immediate go ahead to proceed with the project.

Pan American Petroleum, Mobil Oil of Canada, which had taken over Socony's stake, and the **Texas Oil Co.** also got permission to proceed with schemes of their own.

First injection of water was carried out in April last year by Pan American Petroleum. Everything went well and the scheme was extended.

Canadian Seaboard followed in November last year. Mobil Oil, largest operator in the field with more than 500 wells, started a month later.

Several smaller operators followed.

Early in 1957 the Conservation Board took a hand and gave all operators who had not already submitted water injection plans until April 1 to study the position and report on their intentions.

More Water Needed

Projects have rapidly gained momentum so that it is now anticipated that 50,000 acres, one eighth of the whole Pembina territory and about one quarter of the area to which the technique will eventually be applied will already be under treatment.

Average injection rate is now put at between 200 and 300 bbl. a day, and well over 2 million bbl. have been injected in this way.

Well-head injection pressures are reported to vary from 400 to 1,500 lb. per sq. in.

One immediate result of work to date has been to show that the shallow porous rock formations in the area are insufficient to provide all the water that is needed.

About 200,000 bbl. of water will be required daily eventually.

The bulk of this will be drawn from the North Saskatchewan River and delivered by a large pipeline with branches to the various pumping stations.

Water Heating

In almost all cases the water used for injection is heated no more than is necessary to prevent freeze-ups in winter.

The one notable exception to the normal pattern is that of Canadian Seaboard, which is using heated water for injection because of the reduced viscosity of the water which permits a substantial increase in the amount delivered.

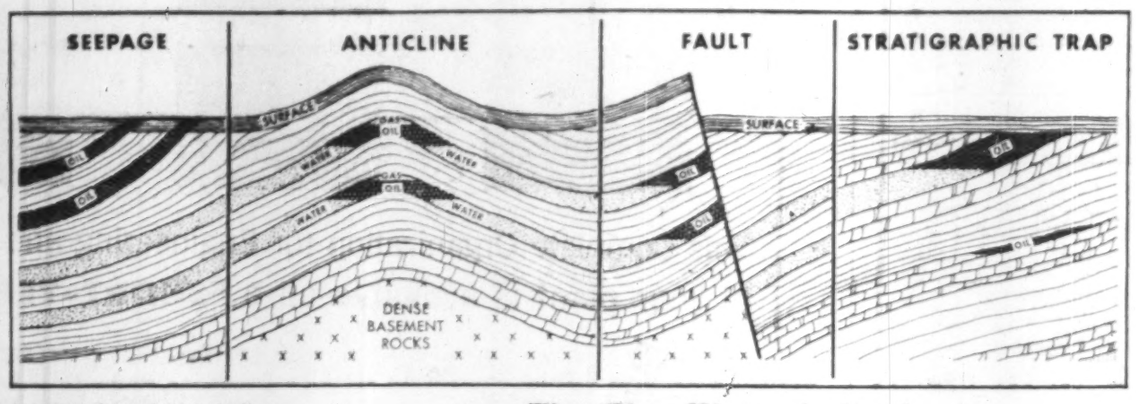
By installing direct heating units at pumping stations and injection wells, they raise the water temperature to 90 deg. F. before injection.

By the time it has reached the oil-bearing Cardium this temperature has been further increased to 129 deg. F., which is the temperature of the reservoir.

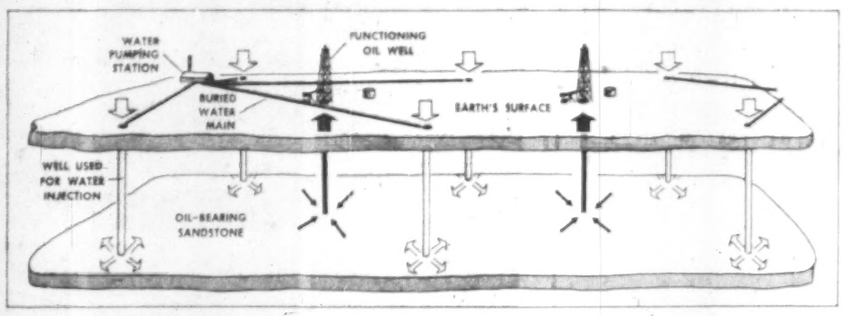
The temperature without this artificial heating would only be 95 deg. F. by the time it reached the oil-bearing stratum.

The reduction in viscosity is from 0.86 to 0.60 cp. a marked improvement which will, the company claims, increase recovery over 11,200 acres from 102 to 107 million bbl.

Here's How Oil is Trapped



The Way Water is Used



Proration Aids Producers

This spring, production problems in Alberta became acute. There were more wells than ever before; a large part of the Pacific Northwest market disappeared almost overnight; Saskatchewan producers were cutting deeply into markets in northern U. S. and the East.

Faced with the tightest proration of production ever experienced, the major oil companies called for a change in the province's system for determining how much oil each well will be allowed to produce.

Alberta oil wells, they pointed out, can only sell about half the oil they are able to produce under good conservation practices. Yet, under the current proration system, many of the wells are producing at close to capacity, while others turn out only about one third of their capacity.

What they wanted was to equalize to a greater extent the ratio of actual production to production capacity.

The system, as it then stood, worked like this:

Set Rate

Each well was granted an economic allowable rate of production. This was a set minimum rate whereby the operator could recover most, if not all, of his investment. All the wells capable of doing so were allowed to produce at least at this rate.

The total of all the economic allowables of wells in Alberta was deducted from the total market demand for Alberta crude each month, and the balance prorated among all the wells on the basis of maximum permissive rates (MPR) where the MPR was greater than the economic allowable.

The economic allowables are based on the depth of the well—the deeper the well the greater the economic allowable. MPRs are based on the reservoir characteristics of the well or pool and are designed to permit maximum recovery of reserves during the life of the well.

One of the weaknesses of this plan, it was said, was that under a set economic allowance system, drilling costs could be recovered several times over.

This encouraged the drilling of more development wells than were necessary for the efficient depletion of a reservoir. As a result, less and less of the available market was left to be filled by

(Continued on page 73)

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World Oil

Rife with Tension, Suspicions

The international oil industry is facing round-the-world political and economic tensions — tensions which are reflected by an uneasy Canadian industry.

Here are factors back of the tension:

- A temporary world oil surplus plus lower-than-usual tanker rates have contributed to a cut in Canadian oil export potential.
- A sword-of-Damocles still hangs over the Middle East.

—Syria, across which 620,000 bbls. oil move daily by pipeline appears to be moving from the Western orbit.

—The solid front of 50-50 profit-sharing agreements between Middle Eastern governments and Western oil companies is threatened by the efforts of two new countries — Italy and Japan — to cut into the pie.

—There's indication that future terms which Middle Eastern governments will ask for their oil will be much tougher than present ones.

Here's a rundown on Canadian crude oil production.

Last year, we produced 172 million bbls., exporting 43 million to the U. S. This year, our production will probably run 182 million, exports 54 million.

Canadian exports started off with a bang this year and the totals would have been much above 54 million were it not for the loss of portions of the Westcoast U. S. market to Venezuela and Middle East competition.

Washington Hearings

The whole market hangs on hearings which opened in Washington last week.

Last August, U. S. oil industry pressure brought a request from President Eisenhower that established U. S. oil importing companies cut back their imports 10% below the average import for the years 1954-56.

The Westcoast area was excepted from this request and Canada's oil exports were largely undisturbed except by Venezuelan and Middle East competition.

However, last week's hearings were arranged to study the question of bringing the West Coast into the U. S. system of import controls.

If it's decided to extend them, Canada's most important oil export outlet — the Puget Sound area of Washington State — may be substantially pared.

When the Suez Canal was opened in March, Middle East exports to oil-hungry Europe via the canal quickly climbed to 1.8 million b/d. The trans-Syria pipelines were put back into partial operation.

There are two lines involved. One is the 1,000-mile **Armaco** Tapline which carries about 340,000 b/d of crude from Bahrein and Dharan across Saudi Arabia, Jordan, Syria and Lebanon to the Eastern Mediterranean.

The other is the **Iraq Petroleum Co.'s** 550-mile line which links the fabulous Kirkuk field in Iraq via Syria with ports in Lebanon and Syria.

Damaged Pipeline

It was the latter pipeline which was damaged by the Syrians last November during the Suez crisis. It had a capacity of 500,000 b/d but as a result of the damage, only 280,000 b/d are being pumped through it at present. Repairs, however, will probably restore it within the next few months.

The fact that the Middle Eastern countries which have threatened Western supplies —Egypt and Syria—are not oil-producing but oil-transit countries has set Western planners working in two different directions.

- Building supertankers and port facilities to take them (these are vessels of 50,000 tons or more which can make the long voyage around the Cape of Good Hope as economically as normal tankers can make the Suez passage).
- Planning pipelines which will reach the eastern Mediterranean bypassing Syria.

At present, almost all large oil companies are building supertankers. A number have been built. At the beginning of 1957, 25% of carrying capacity of the world tanker fleet consisted of supertankers; a year before, the comparable percentage was only 20.

At present there is no port in the U.K. where supertankers can discharge. However, the U. K. Government is fitting out Milford Haven, Wales, to take them. Milford Haven is one of the best of the U. K. ports.

What about pipelines to bypass Syria?

Billion-Dollar Project

The major alternate so far discussed is a billion-dollar project for a pipeline from the Persian Gulf across Iran and Iraq. It would follow the Syrian border through Turkey to the Mediterranean.

Several meetings have so far been held in London to discuss this project which would involve a first-stage line of 800,000 b/d capacity and an additional line of 600,000 b/d capacity at a later stage. The whole system would be in operation in the early '60s.

There are four other pipeline plans in the air:

—A line from the Qum oil field in Iran to the Turkish coast at Iskenderun.

—A line from the Kirkuk field in Iraq to Iskenderun.

—A pipeline which would parallel the Suez Canal.

—A pipeline through Israel from the Red Sea to the Mediterranean.

The Suez Canal pipeline has been vetoed by Egypt. The trans-Israel pipeline, which would be the cheapest of the lot, has been discussed for several years but most Middle East experts doubt that the producing countries would allow their oil to be transported across Israel.

How about pressure by the Middle Eastern countries for a new oil deal with the Western oil companies?

This may well be a result of efforts by Italy and Japan to secure new oil concessions.

Most of the present deals are on a 50-50 profit-sharing basis. However, in September an Italian company was negotiating with Iran for exploration rights in a new oil-rich area on terms that amount to a 75-25 deal in favor of Iran.

Italian Deal

The deal, if it works out, is expected to cause general agitation among the Arab countries for revision of existing deals.

The U. S. State Department is reported to have told the Italian Government that the deal would upset the whole Middle Eastern oil price structure and in the end hurt the Italian oil-refining business.

Recently Japanese business interests seeking oil concessions in Saudi Arabia reported that Saudi terms were far more severe than they had anticipated.

During prospecting, the Japanese reported, Saudi Arabia sought an annual rental of $3 million for the undersea area off the neutral zone between Saudi Arabia and Kuwait, plus a $2 million bonus if oilfields were discovered.

However, the Saudi terms were later revised upward to include these:

—Japan must import the new oil at world market prices.

—Arabian countries and Kuwait reserve the right to buy 20% of the oil produced with a 5% discount of half the amount bought.

—The oil sale revenue should be divided 56% for Saudi Arabia and 44% for Japan.

—Oil-producing and petrochemical facilities would go to Saudi Arabia in 40 years when the contract expires.

Proration Will Help Producers

(CONTINUED FROM P. 72)

new producers operating in new fields.

Here, in brief, is what the major oil companies recommended:

- Do away with the present system of economic allowables.
- Prorate entire market demand in direct proportion to MPRs.
- Set up a floor allowance to prevent premature abandonment of marginal producers.

The smaller independent companies were, for the most part, against any change in the economic allowables, particularly for shallower wells. They felt that the proposed changes would mainly benefit the major producers who, generally speaking, owned the more prolific wells.

The Alberta Oil & Gas Conservation Board heard both sides of the controversy and in September came up with a compromise plan.

Their recommendations still base the production formula on an economic allowance to be set up for each well plus the well's MPR prorated to market demand.

But here is the big change: The new schedule of economic allowables is to be computed in two stages. The initial period is designed to pay off drilling, completion and early operating costs, and the second stage will be aimed at meeting operating costs alone.

The board also recommended a change in the method of prorating production to market demand. Under the new plan—called the residual MPR plan—the final allowable production of a well is to be equal to the economic allowable plus some fraction of the difference between the MPR and the economic allowable. (This was formerly based on the economic allowable plus some fraction of the MPR.)

The new economic allowances go into effect Jan. 1, 1958. The residual MPR plan will not become effective until Jan. 1, 1960.

In greater detail this two-stage system would give:

- **An initial economic allowance** reflecting more or less the operating costs, a five year pay-out of drilling costs and a two and one half year pay-out of completion costs.

For depths less than 3,500 feet the board concludes that an initial economic allowance of 30 bbls. per day approximates these if consideration is given to prevailing prices of crude produced from shallower wells.

For deeper wells the allowances are adjusted upwards relative to increased drilling, operating and completion costs.

It is planned that the initial economic allowance will apply for a period of seven full years following designation by the board of a pool or field.

For pools or fields which have already been discovered and designated by board order, the initial allowance will apply for a shorter period of time.

- **An operating economic allowance** which will apply after the expiration of the initial period. For depths greater than 4,000 ft. the operating economic allowance reflects more or less the operating costs and the continuation of the two and one-half year pay-out of completion costs.

This latter serves to cover equipment replacement and other additional costs incurred during the life of the well.

Reaction to the new recommendations has on the whole been favorable. One major producer said that they felt the board had done a good job and come up with a reasonable compromise on all factors.

This same company pointed out, however, that current production in Alberta is so low, with most wells at or near their economic allowable, there virtually is no prorationing.

Once it increases, wells with the greater MPRs will be getting a fairer share of the prorateable production, spokesman said.

An independent felt that the new setup would tend to provide more incentive for the major companies to aggressively go out after new markets.

Consulting Engineers

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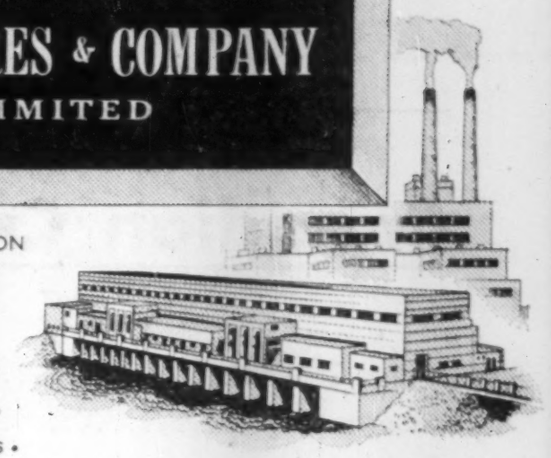

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How TIMKEN bearings on slow speed shaft keep pumping unit going in high

IN designing this Model AC pumping unit, Cabot Shops, Inc., faced some tough bearing problems for the reducer's slow speed shaft. Because Cabot reducers have herringbone gears, the bearings must position all shafts. And the bearings on the slow speed shaft must take heavy radial loads. What's more, this equipment must run for years with little attention, making it vital for the bearings to be practically maintenance-free.

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How Canada's Oil Flows

All Figures in Barrels from Canadian Petroleum Association

Canadian Crude Oil Production:

	1954 Bbl.	1955 Bbl.	1956 Bbl.	1957 (Est.) Bbl.
British Columbia	.....	582	148,454	350,000
Alberta	87,637,089	113,035,046	143,909,641	138,000,000
Saskatchewan	5,422,899	11,317,168	21,077,371	36,500,000
Manitoba	2,148,449	4,145,756	5,786,540	6,150,000
Northwest Territories	369,887	404,219	449,409	500,000
Eastern Canada	424,454	537,491	609,914	640,000
Total Canada	96,002,778	129,440,262	171,981,329	182,140,000

Canadian Crude Oil Disposition:

British Columbia	22,000,000	23,000,000
Alberta & N.W.T.	25,800,000	25,900,000
Saskatchewan	19,900,000	20,100,000
Manitoba	10,000,000	9,900,000
Ontario	49,100,000	49,500,000
Total used by Canadian refineries from Canadian production	126,800,000	128,400,000
Vancouver Marine Terminal	6,200,000	7,000,000
U. S. Puget Sound Area	19,200,000	26,600,000
U. S. South	33,000	85,000
U. S. Great Lakes Area	18,500,000	20,000,000
Total Export	43,933,000	53,685,000
Total Demand	170,733,000	182,085,000

Sources of Crude Used by Our Refineries:

Canada	128,400,000
U. S.	10,000,000
Venezuela	82,000,000
Near & Middle East	15,000,000
Trinidad	1,500,000
Total Crude Oil Consumed	236,900,000
Net Product Imports	29,000,000
Apparent Consumption of Crude Oil & Products	265,900,000

PIPEING THROUGH sloughs and muskeg has become routine for construction crews on the Trans-Canada pipeline.

DO THEY BUY FROM CANADIANS?

the answer is "yes"?

We are proud of the fact that most American oil companies and petroleum industry contractors operating in Canada have chosen this wholly-owned Canadian company to supply them with oil-field and refinery equipment.

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CARNDUFF, Sask
VIRDEN, Manitoba

B.C. in Business

Completed Line Opens Markets

British Columbia's rapidly growing natural gas and oil industry showed solid achievement during the past year as the groundwork was laid for future advancement:

1. The provincial government set up a conservation committee to direct the progress of the industry;

2. Oil production, while still in its infancy, showed a healthy increase over 1956;

3. Hunt for natural gas and oil continued in the northeastern section without letup, increased pace was shown in the southeastern section and permits were taken out for drilling off the west coast;

4. The $175 million, 650-mile **Westcoast Transmission pipeline** was completed and two multi-million-dollar distribution systems completed to handle natural gas on the coast and in the interior.

Big news has been the growing extent of the promising Boundary Lake field some 15 miles northeast of Fort St. John and straddling the B. C.-Alberta boundary.

Recently two extension wells have virtually doubled the size of this field. It appears now to cover a productive area of close to 40,000 acres.

This is B. C.'s biggest oilfield and practically all of the province's production is currently coming from 12 producers here.

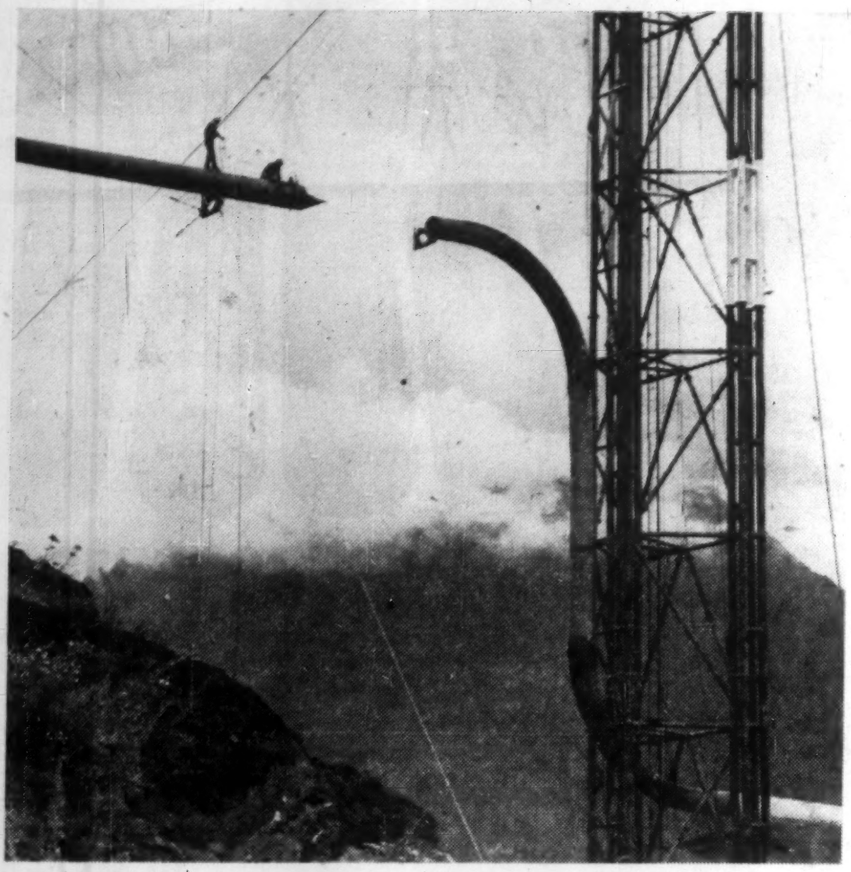
Although it is productive only from a thin payzone section with low per acre reserves hopes are high that this will in time qualify as B. C.'s first major field (reserves in excess of 100 million bbls.).

Oil is of good quality, 35 gravity and well potentials range up to 250 b/d.

Developed Slowly

Discovered early in 1955 by the NFA group (**Shell, Texaco, British American** and **Mobil**), the field developed slowly. The thin pay section and remoteness from markets were probably major reasons for this.

First hint of extent of field came earlier this year when Imperial-Pacific group clicked at a stepout five miles from NFA producers, and then soon clicked again at another five mile south stepout.



TIE-IN ON 1,290 ft. aerial crossing of Fraser River, B.C. This is one of six crossings on 650-mile gas pipeline.

Oil is only being recovered in small amounts in B. C. so far, 227,611 bbl. from January to Oct. 1 this year, compared with 53,024 bbls. during the same period last year.

In the province, there are about 1.2 million acres under lease for exploration for oil.

Compare this with nearly 28 million acres under permit, or pending permit, for exploration for natural gas.

Total acreage for lease and permit to date is 29,064,217 acres, compared with 28,033,534 acres at the end of September, 1956.

Actual drilling actively shows about a 25% drop this year over 1956, due partly to tight money and poor weather. During September of this year, 25,000 ft. had been drilled, compared with 37,000 ft. last year during the same period.

Twenty-four rigs were operating in September; 21 last September. Three oil and three gas wells were completed during the month, compared to eight gas wells last September.

Majority of the gas and oil drilling is in the Fort St. John area, the beginning of the Westcoast Transmission Natural Gas line which is now delivering gas to interior, Lower Mainland and U. S. markets.

Gas wells, mainly drilled and spudded by **Pacific Petroleums**, are being turned into the 30-in. Westcoast line whose 440 million cu. ft. capacity will be increased to 600 million cu. ft. withn a few years.

Double Capacity

Westcoast president Frank McMahon says capacity of the line will eventually have to be doubled by "looping" the line and adding new compressor stations.

Inland Natural Gas, a subsidiary of Westcoast Natural Gas, and Pacific Petroleums, also Westcoast's subsidiary, recently successfully completed a well with a test flow of 34 million cu. ft. a day.

It was the 14th major producer of 15 wells drilled by Inland and Pacific Petroleum.

Twelve of the wells are in the western portion of the field; two in a recently-developed eastern section which will be developed more completely when access roads are completed.

The new well is officially known as **Canadian-Northern - Pacific** South Pouce Coupe 11A. Canadian Northern Oil & Gas Ltd. is one of the four wholly-owned subsidiaries of Inland and holds interest in 949,000 acres of Peace River oil and gas land in Alberta and B. C. Only a small portion of this acreage has been explored.

Ralph E. Davis, gas and oil expert, estimates the western portion of the field has a recoverable 147 million cu. ft. Inland holds 50% of this total.

St. John Gas & Oil Co., another Inland subsidiary, holds lands containing an estimated recoverable six billion cu. ft. in one field and 235 million cu. ft. in a small field.

20-Year Run

Inland's supplying and buying contract with its subsidiary Westcoast runs for 20 years, and proven reserves of all its subsidiaries stand at nearly 62 billion cu. ft.

The gas is of the highest quality, and first gas into the new 30-in. line came from Inland's gathering system.

Engineers say the drilling of the Pouce Coupe field was the most successful of all western Canada fields. Further wells will continue to be brought in as needed.

B. C. Electric, which has the franchise for the Fraser Valley, Greater Vancouver and Vancouver Island, buys natural gas from Westcoast at Huntingdon, on the U. S. border, and distributes it through a huge grid system.

Until other fields are proved up, all of B. C.'s natural gas will come from the Peace River - Fort St. John fields. This area has the best prospects.

Exact figures have not been determined, so many different companies being in the field, but it is estimated that more than 3.8 trillion cu. ft. have already been proved up.

Since 1947, 21 major companies have been active in the area with Pacific Petroleums, of course, being by far the largest operator. Imperial Oil is another large spender.

Boom Easing

The boom that oil helped generate in the Peace River area is beginning to slow down, just as it is throughout the rest of the province.

The pipeline has been completed, the crews have been transferred and construction on oil company headquarters and facilities have been completed.

The big new refinery at Taylor, 12 miles south of Fort St. John, will be shipping tons of sulphur and hundreds of barrels of gasoline products, the main by-products of the "wet" gas of the Peace River country.

One 30-car train will be required daily to move these products to tidewater at Vancouver. Shipments will begin when the government-owned **Pacific Great Eastern Railway** moves into Peace River and Fort St. John next year.

Apart from the Peace River area, leases and permits have been issued in six other widely - scattered districts. They are at Alberni, Nanaimo and Victoria on Vancouver Island, the Queen Charlotte Island, the New Westminster district and the Fernie area in southeastern B. C.

The new conservation committee set up recently to direct the progress of the oil and gas industry is generally modeled after the highly successful Alberta Oil & Gas Board which is considered one of the finest of its type anywhere.

It is composed of A. N. Lucie-Smith, 52, a petroleum engineer, who is chairman; N. D. McKechnie, 52, a geologist; and M. H. A. Glover, an economist.

Mr. Lucie-Smith has had wide experience, serving 26 years with **Shell Oil** in Venezuela and the last two years managing an oil exploration firm in Australia.

Its actual powers have not been specified completely as yet but it is expected to make recommendations, on the Alberta plan, which will be passed by the cabinet into a "textbook" under which the committee will operate.

FIRST
in Canada's Oil Fields

The Royal Bank opened its Leduc branch in 1947 the day after the first producing well was brought in. The bank's office was the town's council chamber!

Today, there are 'Royal' branches in every important oil and gas producing area in Canada's western provinces and in many other districts of rich promise.

Canada's "Oil Bank" offers exceptional services geared to the needs of every phase of the industry. For information on our Special Bulletins, or a map showing principal oil fields, pipelines, potential areas, etc., write to A. D. Insley, Manager, Oil & Gas Dept., 409 Eighth Ave., W., Calgary.

THE ROYAL BANK OF CANADA

Canada's Largest Bank

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- Fabricated Pipe
- High Pressure Vessels
- Horizontal Storage Tanks
- Hot Water Tanks
- Hydro-pneumatic Tanks
- Jacketed Tanks
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- Pressure Vessels
- Propane Tanks
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- Standpipes
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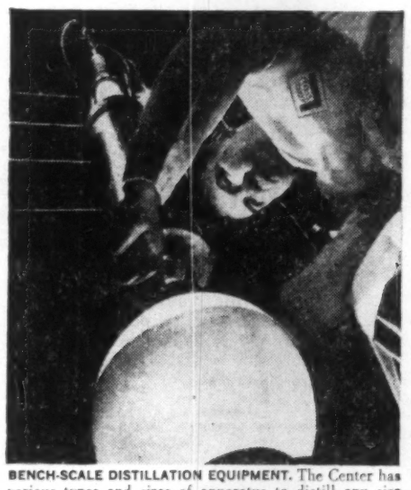

BENCH-SCALE DISTILLATION EQUIPMENT. The Center has various types and sizes of apparatus to distill any size sample from one cc to a tank-car load.

Unique Lummus Engineering Development Center—30 Minutes From Manhattan—Proves Out Processes Before Construction

At a new 150,000 square-foot Center near the Newark Airport, the Lummus Company is expanding a long-established engineering development program into a major service to the process industries. The intensive pilot plant investigations carried out here will, in the years to come, spell the difference between rash gamble and sound plant investment for many manufacturers in the chemical, petroleum, pulp and paper and allied fields.

For a complete description of the Center and how it can help you bridge the gap between laboratory research and successful production, write for the 16-page brochure "Lummus Engineering Development Center." Address The Lummus Company Canada Limited, 455 Craig Street West, Montreal, Quebec.

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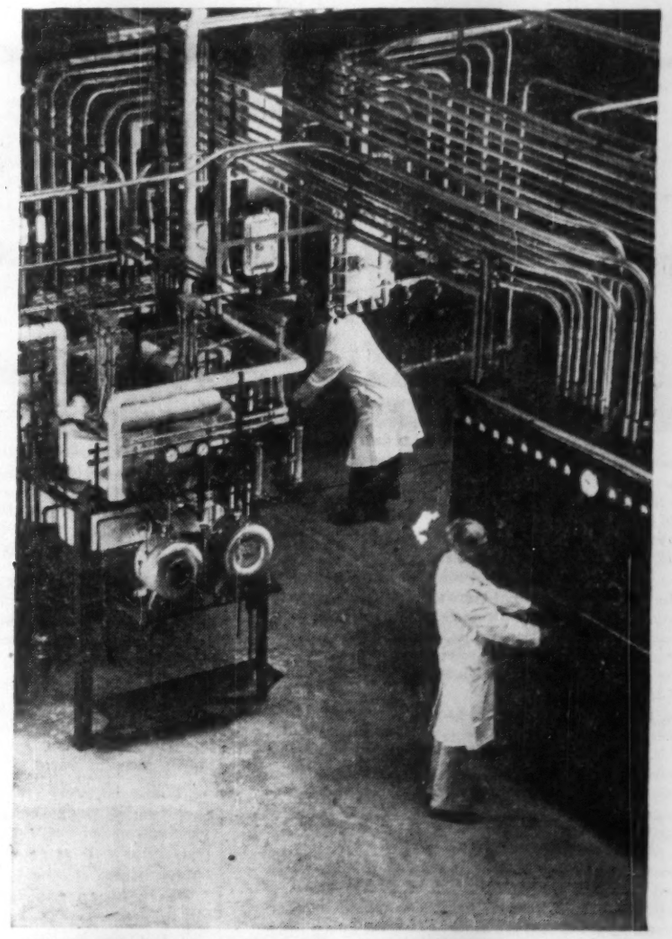
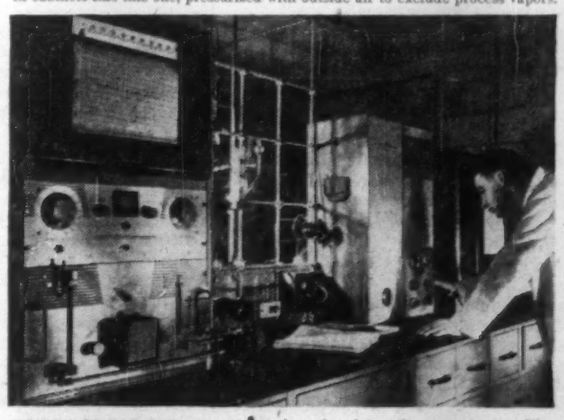


MOST PILOT UNITS at The Center are put together from standard "building blocks." Skid-mounted charging units such as the one at left hold tanks, heaters and pumps for transfer and metering. Process equipment, here shown in background center, can be widely varied. At right is electrical control cabinet. All switches, relays and controls not housed in explosion-proof boxes are enclosed in cabinets like this one, pressurized with outside air to exclude process vapors.



ANALYSIS OF MATERIALS processed and produced in pilot operations at The Center is an important part of the work carried out by Lummus engineers. Here a laboratory technician determines the composition of a multiple-component gas, using a gas chromatography technique.

Athabaska

Probing Tar Sands Potential

For the first time, oil companies are striving to find out the exact potentialities of northeastern Alberta's fabulous tar sands.

By last month, **FP** was told, more than 30 oil companies or groups had blanketed most of the known oil sands deposits along 30 miles of the Athabasca river, 250 miles northeast of Edmonton, with exploration permits and leases.

The attached map and list shows what companies are in the area. The patented areas are owned by a company of long standing, **Petroleum and Natural Gas and Asphalt** and the patents include mineral rights.

The remainder of the area is covered by 24 exploration permits involving 1.1 million sq. miles, and by 11 leases, involving 153 sq. miles.

The exploration permits and leases are granted under relatively recent Alberta legislation and do not include mineral rights.

The oil deposits have been known for 50 years. It's believed that they may contain three billion bbls. — more than the entire Middle East. Until recently, however, three major problems held up serious attempts to develop, or even to explore, the area.

- It's hard to get the oil from the sand.
- Once released, the oil is so viscous that it can't be moved through a pipeline and must be refined on the spot.
- The extent of the deposits in oil-producing terms is unknown.

Oil Sands Vary

The oil sands vary at any given point in amount of oil contained, in depth of overburden and in depth of deposits. It's not possible to work out a rule-of-thumb averaging method to determine potentialities; the deposits call for careful and complete surveying.

Early this year, **Royalite Oil** announced a $50 million plan to develop a portion of the field.

To separate the oil from the sand, they would use a centrifuging process worked out by Gordon Coulson of Calgary and further developed by Royalite. The plan included a refinery on the spot and a pipeline to Edmonton.

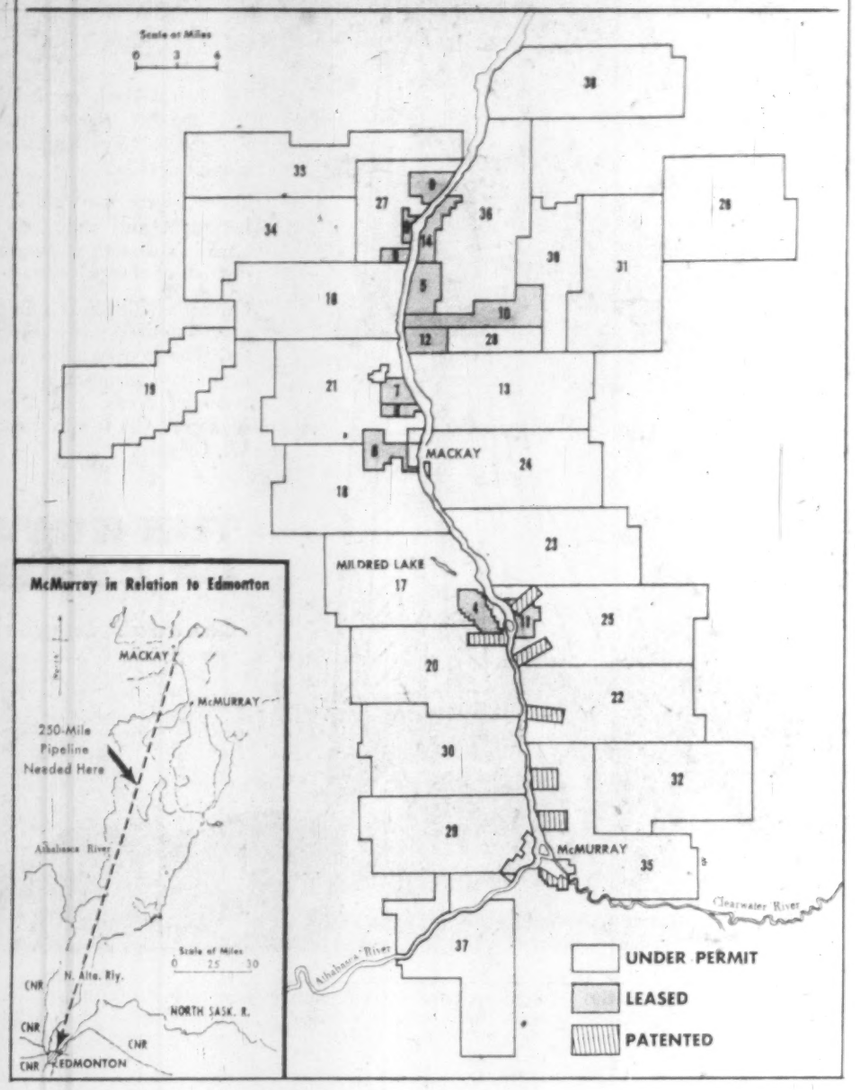
Most of the rush of exploration has come in the last 18-24 months.

Two years ago, only three companies held leases in the area; since then, eight more have come in. The rush for exploration rights has been of similar dimensions.

Many of the companies may be in the area, at the moment, "for insurance," should the Royalite process prove to be economically feasible for other parts of the field.

However, under the terms of the exploration permits and leases, they're all engaged in development work. And under the terms of the leases, there's a definite implication that they should have specific plans for plant construction.

Here Are Oil Sands Permits, Leases



Rockwell Report

by W. F. ROCKWELL, JR.
President
Rockwell Manufacturing Company of Canada, Ltd.

SINCE WE DEPEND SO HEAVILY on engineering, we have given the problem of adequate scientific manpower a great deal of thought not only in terms of our immediate needs but, more importantly, in terms of our long range goals.

Of course there is no easy solution and no perfect solution to the shortage of engineers, and what works for one company may not be at all practical for another. For us, a combination of several different approaches seems to make sense.

One is the judicious use of outside consultants on particular projects. The effect is to multiply our own staff quickly, without the time and money cost of hiring people in a very difficult market. Another partial solution, for us, is related to our recent purchase of a manufacturing company in West Germany. This brought into our organization a staff of 260 scientific people, many with doctor's degrees.

But in our experience, the soundest and most practical long range approach to the shortage of scientific and technical manpower is to use that manpower more efficiently. To us this simply means that we use engineers as engineers, not paper shufflers; scientists as scientists, not bottle washers; technicians as technicians, not clerks.

That direct approach has two important advantages, we find. First, scarce scientific manpower becomes immediately more productive when it is used to do only what it does best. Second, under these conditions the job of each engineer or technician becomes far more satisfying professionally and personally rewarding. Good men are more apt to stay long enough to contribute both to the company's good and to their own individual growth.

* * *

A new lightweight aluminum gas meter, designed primarily for commercial and industrial services requiring large capacity at low working pressure, has been introduced by our Meter and Valve Division. One of the important advantages is light weight (about half the weight of other meters of its capacity) making it easy for just one man to carry and install it.

* * *

When we began manufacturing operations at Guelph, Ontario, a little more than two years ago, it was with the hope that we could grow with Canada through providing better products for Canada. Progress to date has been good. Recently our Guelph plant has been expanded by 70% to take care of increased demand for our gas meters and other meter products.

* * *

For the first time, every item in our greatly expanded line of Walker-Turner "light-heavyweight" machine tools and accessories (including several brand new tools) is included in a single reference manual. One helpful feature of the 48-page book is the separate listing of capacities, speeds and dimensions of each model to simplify the selection of the right tool for each specific metalworking or woodworking job.

One of a series of informal reports on the operations and growth of the
ROCKWELL MANUFACTURING COMPANY OF CANADA, LTD.
GUELPH, ONTARIO
For its customers, suppliers, employees, stockholders and other friends

Problems Ahead For Lubes

Jet engines operating at high temperatures and rocket motors that probe regions of very low temperature and use "fuels" like liquid oxygen (boiling point minus 259 deg. C. have created major problems for lubrication scientists.

To these must now be added the much tougher task of finding lubricants that can safely be used in atomic reactors.

The temperatures here may only be around 600 deg. C., in the core of the reactor at present, and much lower for most moving parts.

There is every reason to believe, however, that the introduction of ceramic fuel elements will open the way to much higher levels.

Worse than the effect of heat, however, in such environments is that of the nuclear radiations, neutrons, gamma rays and the like which are always present in vast quantities.

Lubricants under normal conditions break down in many cases when they are oxidized at high temperature and form substances that corrode the bearing surfaces.

Radiation, apart from its other destructive effects, can be a very potent agent in speeding up conventional reactions and making possible others that would not normally occur.

It achieves this by knocking off orbital electrons.

Any lubricant that is going to need to operate for many months, even for many years, without attention must be able to stand up to these conditions.

The problem of finding out just how this can be done is now taxing scientists in every industrialized country.

Companies

Here's a list of holders of leases and prospecting permits in the Athabasca oil sands with identifying numbers. Leases or permits are given in order of issuance and acreages are given in brackets.

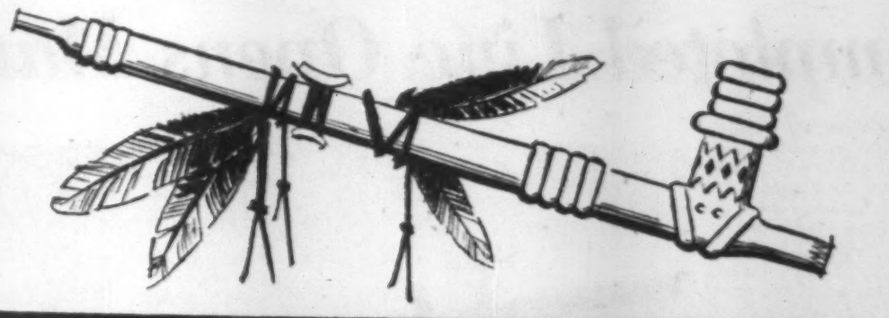
Leases

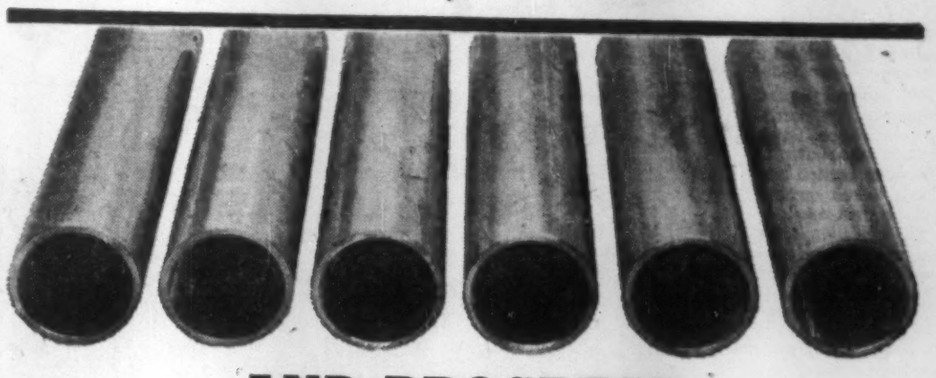
4, Sun Oil, Calgary (3,898).
5, Can-Amera Oil Sands Development, Calgary (5,874).
6, Merrill Petroleums, Calgary (6,440).
7, Pacific Petroleums, Calgary (2,866).
8, New Continental Oil Co. of Canada, Calgary (1,393).
9, Charter Oil, Calgary (5,601).
10, Sun Oil, Calgary (11,227).
11, Amurex Oil, Calgary (2,483).
12, Calvan Consolidated Oil & Gas, Calgary (4,174).
13, Shell Oil, Calgary (49,872).
14, Great Canadian Oil Sands, Toronto (4,177).

Permits

16, Consolidated Mic Mac Oils, Edmonton (49,969).
17, Royalite Oil, Calgary (49,763).
18, Richfield Oil Corp., Calgary (49,648).
19, Shell Apache Exploration, Calgary (49,888).
20, Robert H. Laurence, c/o Supertest Petroleum Corp., Calgary (49,935).
21, Supertest Petroleum Corp., Calgary (49,927).
22, Bailey Selburn Oil & Gas, Calgary (49,794).
23, Canadian Pipelines & Petroleums, Calgary (49,704).
24, Home Oil, Calgary (49,680).
25, Atlas Finance & Realty Corp., Calgary (49,964).
26, Baysel Pipelines, Calgary (49,880).
27, Calvan Consolidated Oil & Gas, Calgary (22,735).
28, West Canadian Petroleums, Calgary (9,129).
29, Walter Record, c/o Richfield Oil Corp., Calgary (49,720).
30, Union Gas Co. of California, Calgary (49,728).
31, Island Development, Calgary (49,735).
32, Mobil Oil of Canada, Calgary (49,751).
33, Dome Exploration (Western), Calgary (49,767).
34, Secony Frontier Oil, Calgary (49,103).
35, Husky Oil & Refining, Calgary (50,000).
36, Sinclair Canada Oil, Calgary (49,978).
37, Western Hemisphere Petroleum Corp., Tulsa, Oklahoma (49,769).
38, French Petroleum Co. of Canada, Calgary (49,988).
39, Sinclair Alberta Oil, Calgary (26,449).

PIPES OF PEACE...





AND PROGRESS

Strange to think that, within living memory, the most significant pipe in Western Canada was the "pipe of peace." Strange — for today a mighty network of pipes is at one and the same time the muscles and the bloodstream of our prosperity.

Muscles . . . because pipelines carry the raw materials of power — oil, steam and natural gas. Because pipes, too, protect electricity during its instantaneous journey along underground cables. Bloodstream . . . because pipes carry air under pressure to the men who mine the wealth from the priceless seams of Western Canada. Because pipes carry water so that industry can take full advantage of our fabulous resources.

Yet this is only one chapter of the story. During the next decade hundreds of miles of new pipeline will carry the natural gas that will revolutionize our economic development. Canadian craftsmen, working in Canadian steel, are making the pipelines that are becoming every day more and more the framework of Western Canadian prosperity. Canadian Western Pipe Mills are playing a major part in the development of our magnificent country.

CANADIAN WESTERN PIPE MILLS LTD.
PORT MOODY, BRITISH COLUMBIA

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- **in 1946** . . . Canada imported 90.6% of its crude oil need of 222 thousand barrels per day while exports were practically nil.
- **in 1956** . . . Canada needed to import only 35.1% of its greatly increased requirements of 720 thousand barrels of crude oil per day. At the same time crude oil exports totalled 125 thousand barrels per day!

Important to Canada are the long steps toward self-sufficiency which have been taken by Canada's oil industry. One of these steps has been the provision by Ethyl of Canada of a domestic source of gasoline antiknock compound, a product which assists refiners to meet economically the increasing octane requirements of today's engines.

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"Ethyl" antiknock compound is manufactured at Sarnia, Ontario.

Tax Problem

Oilmen Seek New Laws

Hard-pressed Western oilmen have their eyes on Ottawa. They have a major problem which the government alone can solve.

The problem is this: Federal tax laws, designed to encourage the development of Canada's petroleum resources, in many cases actually discriminate against the Canadian oil and gas producer by placing him at a competitive disadvantage with U. S. companies in this country.

Because of a basic difference in tax laws of the two countries, the U. S. company can reduce its taxable income so that its net cash outlay for Canadian operations is less than for a comparable Canadian concern.

It can, therefore, afford to pay relatively more for good acreage than a domestic company can under the same circumstances.

This is a very real problem for a young industry where initial returns are traditionally slow and, for reasons which are discussed elsewhere in this issue, at the moment abnormally low.

Unless some change is made to equalize the competitive position of Canadians without at the same time inhibiting the flow of foreign capital, the proportion of Canadian investment in our oil producing industry is not going to grow much larger, oilmen claim.

Since 1946 about one quarter of the capital requirements of the industry has been derived from funds generated by Canadian oil operations. The rest has come from investors, principally from U. S. and foreign oil companies.

How Much?

In the next 10 years the petroleum industry in Canada will have to make estimated capital expenditures of about $7 billion. How much of it is likely to come out of Canadian pockets if the present tax situation remains unchanged?

Ottawa is well aware of the problem. Oil companies have been knocking on its door for years. In pre-electioneering, both Liberals and Conservatives promised aid. It is the one industry taxation problem that the Gordon Commission saw fit to deal with in detail. In apparent agreement with their findings, Mr. Diefenbaker has flatly stated that the necessary changes will be made (FP, June 22).

The crux of the problem is depletion.

Depletion is not peculiar to the petroleum industry, but is associated with all enterprises where the original capital is invested in a "wasting" asset.

An oil property is a wasting asset and every barrel taken from it reduces the amount of oil that remains.

The established accounting practice is to write off against the apparent cash earnings an appropriate amount with which to reflect this depletion of the reserves. This is an amount in addition to those which are normally set aside to care for depreciation, maintenance and the physical facilities related to the recovery of oil.

Canadian tax law, recognizing the need to provide further funds to replace the oil that has been produced, permits writing off for depletion 33 1/3% of the net income.

However, all expenditures for exploration and production have to be deducted from gross revenue, regardless of the fact that the expenditures may have been in no way related to the properties from which the production was obtained.

Should Quit

This nullifies to a great extent any incentive (by way of depletion allowance) to go out and find more oil. It has been said, as a matter of pure economics, that the small Canadian producer, to keep ahead of the game, should quit once he has found some production.

Not so the U. S. company operating in Canada. Under U. S. law, the producer is granted a depletion allowance of 27.5% of gross income.

Moreover, the allowance is applied separately to each producing property, so that the losses on an unsuccessful venture do not tend to reduce or extinguish the allowance granted on the successful ones as is often the case under Canadian law.

Since the Canadian allowance applies only to the aggregate operations of the producer, there can be no depletion allowance in a loss year. In the U. S., even in a loss year, depletion on individual well profits increases the business loss available for reduction of prior or future income for tax purposes.

The disparity between these two taxing schemes and the resulting hardship to the Canadian producer, who can only take the tax benefit when he has achieved a net profit, can be seen again in the case of land.

More than any other mineral industry in Canada, the oil and gas industry is subject to outlays for land acquisitions which cannot be claimed as an expense for tax purposes. They can only be recovered through effective application of depletion allowance.

These costs are those involved in cash bonus payments for the purchase of Crown lease and reservations and freehold mineral rights which are subsequently found to be productive.

An exception, which illustrates a further anomaly in the tax rules, is the provision that a bonus paid to the provincial or federal government for a lease of petroleum and natural gas rights may be charged to expense as a drilling and exploration cost if and when the lease is surrendered without obtaining production.

Specifically excluded from the provision are reservations.

More Demanding

A reservation is a form of land holding, usually much larger than a lease, which is particularly suitable for exploration. The work requirements are generally more demanding and not more than 50% of the area may be retained.

The industry contends that the cost of acquiring such reservation interests should be considered an exploration cost, capable of being written off in the same way that the bonus paid for a lease may be written off, if and when the property proves unproductive and is surrendered.

A further inequity arises out of the way in which depletion allowance is computed. Large integrated oil companies have an advantage over independent producers in writing off development costs more quickly because they get a good deal of income from refining and marketing.

An indication of what changes the industry wants was given last August in a brief on income taxes presented to the federal government by the Canadian Petroleum Association.

The Association represents 415 petroleum and development companies and allied trades whose output comprises 97% of Canada's productive capacity of petroleum and natural gas.

In addition to the change authorizing the write-off of bonus payments on reservation lands, the Association recommended the following:

- Depletion allowance to be on the same basis as that now enjoyed by royalty owners—a deduction of 25% of the gross income from oil and gas production.-(This results in depletion on a well by well basis, as in the U. S.)

- Where bonus write-offs are allowed on leases surrendered "before a well came into production on the land," production to be defined to mean "production in reasonable commercial quantities." (This would permit test production in non-commercial wells.)

- Costs connected with salt water disposal systems, pressure maintenance or other secondary recovery systems to be classified as expenditures necessary to recover crude oil.

- Elimination of double taxation on limited oil payments associated with sale of an oil interest in a property. (These payments are taxable income to the vendor and also to the purchaser and developer of the property since they are not deductible as an expense.)

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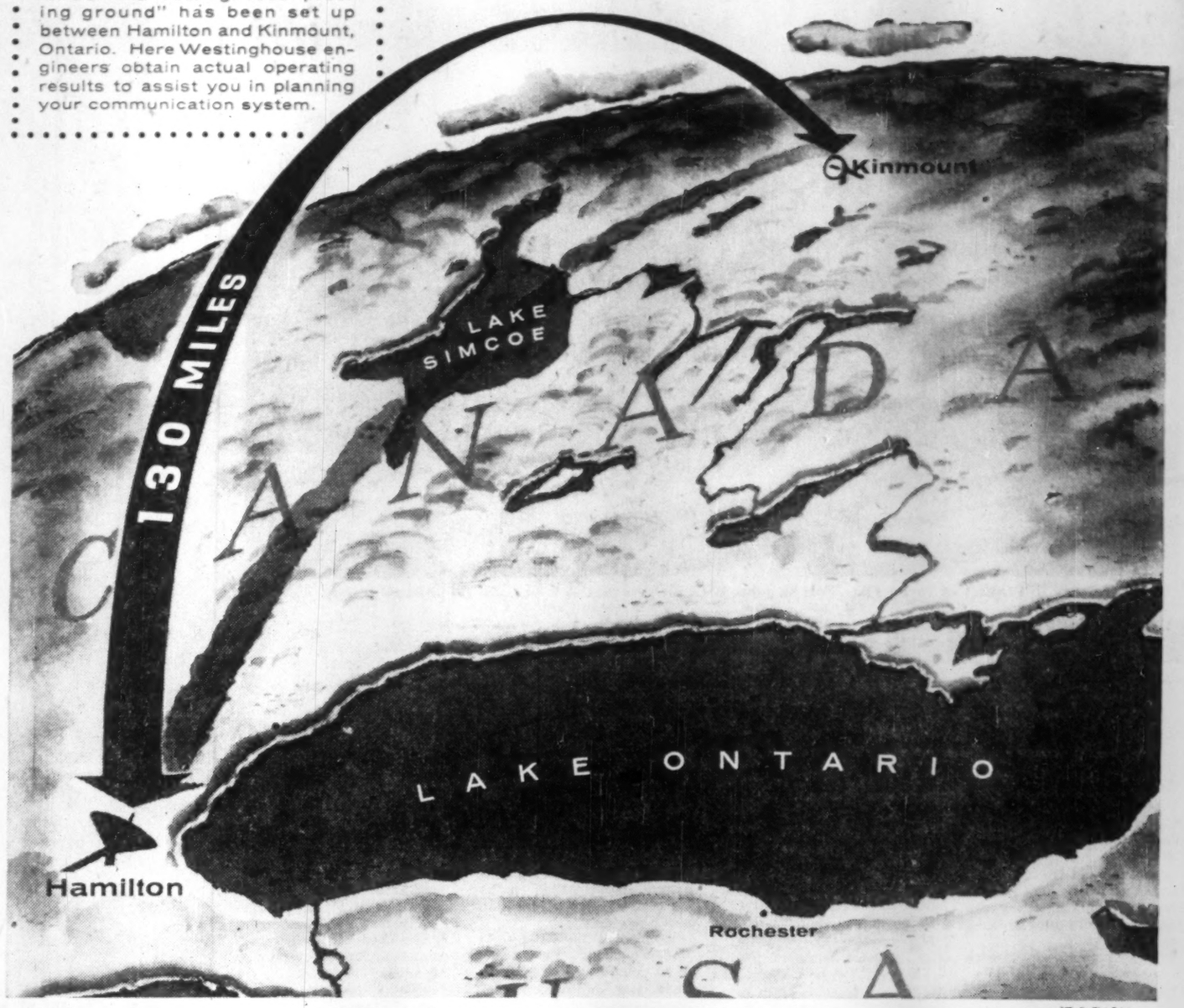

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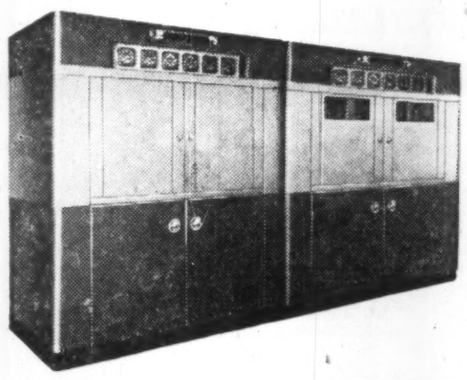

New Westinghouse 4400-5000 mc. Transmitting and Receiving Equipment is compactly and durably designed for truck mounting or fixed installation for either commercial or military application.

- Now for the first time in the communications field, scatter equipment for super-high frequency transmission for fixed or transportable operation has been introduced by Canadian Westinghouse.

The new Westinghouse "Scatter" communications equipment is designed for high quality, high reliability transmission of voice, teletype, telemetering, facsimile, television and data signals over hops of 100 to 200 miles. Voice capacity for multi-channel operation extends to 120-150 channels.

Contact your local Westinghouse Sales Office for Descriptive Bulletin H83-100 or write Canadian Westinghouse Company Limited, Electronics Division, Hamilton, Canada.

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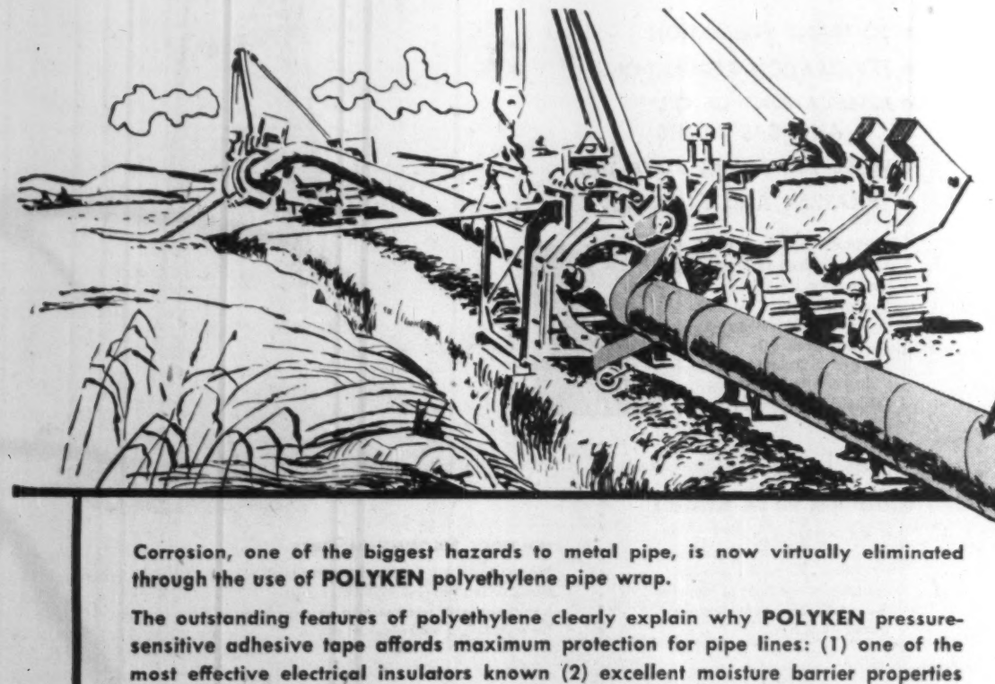

They're protecting Canada's pipe lines with *Polyken* tape, made of "BAKELITE" Polyethylene

Corrosion, one of the biggest hazards to metal pipe, is now virtually eliminated through the use of **POLYKEN** polyethylene pipe wrap.

The outstanding features of polyethylene clearly explain why **POLYKEN** pressure-sensitive adhesive tape affords maximum protection for pipe lines: (1) one of the most effective electrical insulators known (2) excellent moisture barrier properties (3) has physical stability (4) chemical inertness (5) quality controlled in manufacture.

This modern pipe wrap material is proving to be up to 30% more efficient, and reduces labor costs by as much as 50% at the wrapping stage.

This is another example showing how "Bakelite" polyethylene is serving Canadian Industry.

POLYKEN is a pressure-sensitive adhesive tape for direct application to pipe. This new protective coating material is sold in Canada by the Polyken Division of The Kendall Company (Canada) Limited, 6 Curity Avenue, Toronto 16, Ontario. A **POLYKEN** representative will gladly explain its advantages. **POLYKEN** is a registered trade mark of The Kendall Company (Canada) Limited.

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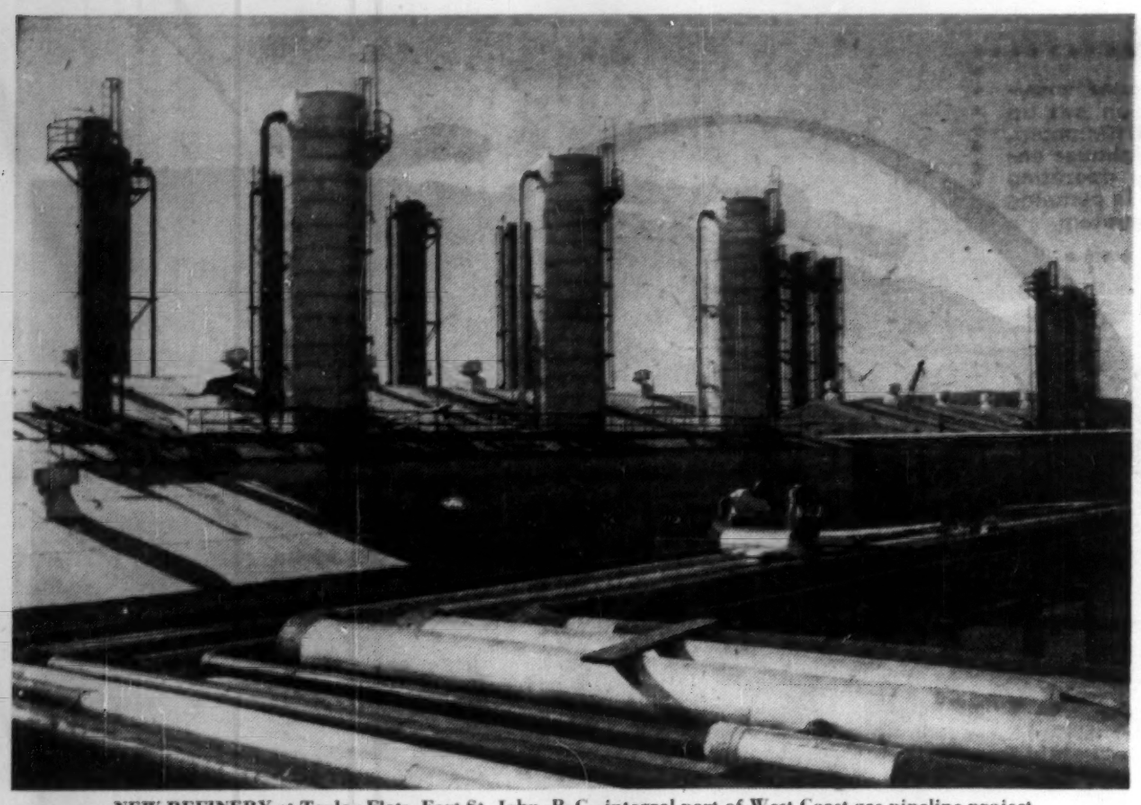

NEW REFINERY at Taylor Flats, Fort St. John, B. C., integral part of West Coast gas pipeline project.

Highest Paid

But Oil Workers Want More

Oil discovery and refinery workers, now among the highest paid in Canadian industry, are going after more money.

This is what Oil, Chemical and Atomic Workers has set out as 1958 bargaining demands for its oil working members:

- Wage increase of 8% with a minimum of 18c per hr.
- Standardization of working conditions (unspecified).
- Premium pay of 30c per hr. for regular Sunday work.
- Double pay for all overtime.

These are the recent sore spots in an otherwise high-riding, trouble-free industry.

refining. It is the product of a merger last year between the old CIO United Gas, Coke and Chemical Workers and the CIO-CCL Oil Workers International.

Despite the merger OCAW has remained a relatively small union, claiming some 11,000 Canadian members.

Boost Numbers

But OCAW now claims it will sign 3,500 to 4,000 new members this month in a bold sweep that will boost its Canadian membership by 25%. Where? OCAW won't say specifically.

Probably something less than half of OCAW members are in oil and gas, the remainder being chemical workers. This suggests that only about 35% of Canadian refinery workers are organized.

So you can mark down refining as an industry that eventually will get considerable attention from union organizers.

It seems unlikely that discovery and development workers will come under much union pressure until and if labor gains a stronger beachhead in refineries.

Both in refining and discovery-development average weekly income is more than $83.

This puts these employees among Canada's wage-earning elite—along with metal-miners (other than gold) basic steelworkers, pulp and paper workers.

Here's how the oil and gas workers stand in weekly wage comparison with other top-money industries:

Metal miners	$90.58
Petroleum and coal products	$90.29
Oil and gas	$86.88
Primary iron & steel	$86.75
Pulp and paper mills	$86.23
Smelting and refining	$82.93

Average Wage

Average weekly wage in all manufacturing is around $65.

The accompanying tables show the uptrend which has hiked oil and gas wages approximately 25% since 1951.

Crystal-clear illustration of worker payoff in "automation" can be found in the oil and gas industry.

The reason: Oil refining is one of the fields in which electronic controls first became of big-scale importance.

Investment per worker is extremely high. So is dollar value of output per worker.

And the process is by no means nearing its end. Refineries become more and more automated.

Witness to this fact is the large recent additions to many Canadian refineries which have increased employment only slightly.

For instance, Canadian refining capacity has risen roughly 300% since 1946 while employment has risen less than 100%. But total employee earnings are up something like 250%. Approximate average wage has doubled.

In greatly increasing refining efficiency automation spreads its effects back into the business of looking for oil and gas.

Anything which boosts refinery efficiency and thus refinery wages is likely also to help push wages in the allied business of discovery and development.

And, of course, another major reason for high wages in discovery and development is the need for skilled personnel which can command big money.

Oil Finders Highly Paid

	Oil and Natural Gas Industry		
	Hrs. worked per week	Av. hrly. wage cents	Av. wkly. wage $
Aug., '57	42.3	205.4	86.88
1955, avge.	44.4	189.8	84.27
1955	44.3	173.9	77.04
1954	43.1	169.7	73.14
1953	44.1	165.3	72.90
1952	44.3	161.4	71.50
1951	43.7	147.8	64.59

So Are Refinery Workers

	Petroleum Products Industry		
	Employees	Earnings $000	Approx. wage per wk. $
1955	13,340	57,892	83
1954	12,476	52,316	81
1953	11,858	48,575	79
1952	11,661	46,145	77
1951	10,611	37,079	67

—**Imperial Oil's** Ioco refinery near Vancouver where some 250 hourly paid workers have just returned to work after more than two months' strike over a new contract. The strike was first for Imperial in 40 years.

—**Regent Refining (Canada) Ltd.**, Port Credit, almost wholly owned subsidiary of **McColl - Frontenac Oil Co.**, where 250 workers have turned down a conciliation board report.

The OCAW International is the one important union in

Jet Fuel Market Expanding

Canadian oil refiners see the jet fuel market a steadily expanding one over the next few years.

Already demand for this type of fuel has caught up with the market for the conventional type aviation fuel in U. S. Expectation is that the same thing will happen in Canada by next summer.

The two major manufacturers of jet fuel in this country forecast that demand will have quadrupled in Canada by 1965, or have reached roughly 40,000 b/d. level. At the same time demand for fuel for the reciprocating type engine is expected to remain at about current levels, or around 10,000 b/d.

There is still considerable experimentation going on with jet fuels and no one at the moment knows just what types of fuel will emerge as the most efficient.

Refiners are being constantly instructed to alter their specifications to air force or commercial transportation company requirements.

At present there are two general types of jet fuel made in this country—a gasoline type and a kerosene type.

The gasoline type is being used principally by the air force and **Trans-Canada Airlines** is also using this type in its Viscount plane.

The kerosene type is beginning to come into increasing use in certain commercial jet aircraft (e.g. British turboprops).

One thing is certain, the rising demand for jet fuel is going to dig deeper into the petroleum components now going almost exclusively into motor gasolines.

Although the refiner can tailor his jet fuel products to meet almost any specifications required, his gasoline types come straight from the petroleum components used in making motor gasolines; or in other words the direct feed to the catalytic reforming unit which in turn is the major contributor to high octane motor gasoline.

Currently Canada's jet aircraft represents a $50,000-a-day market and the conventional type aircraft adds up to a $100,000-a-day market. But by 1965 refiners see the jet aircraft fuel reaching a $200,000 daily level with little dollar revenue change in the aviation gasoline market.

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pioneer independent Canadian Producers right from the start of the vast expansion of oil exploration and development which began with Turner Valley, HOME OIL was among the first Canadian-owned Companies to become a producer. The years have found the Home Team increasingly active in exploration and development. The Company owns over one and one half million gross acres of land. Out of a total of 61 net wells drilled last year, 51 produced oil, and 1 gas . . . and that kind of success is continuing, ever increasing the major part the Home Team plays among Canadian Producers.

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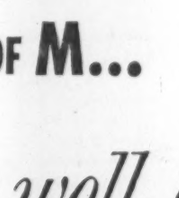
For independent advice and specialized assistance, contact our special oil representative, C. A. P. LEAHEY, Bank of Montreal, 140 Eighth Avenue West, Calgary, Alberta. (Tel. AMherst 6-8701).



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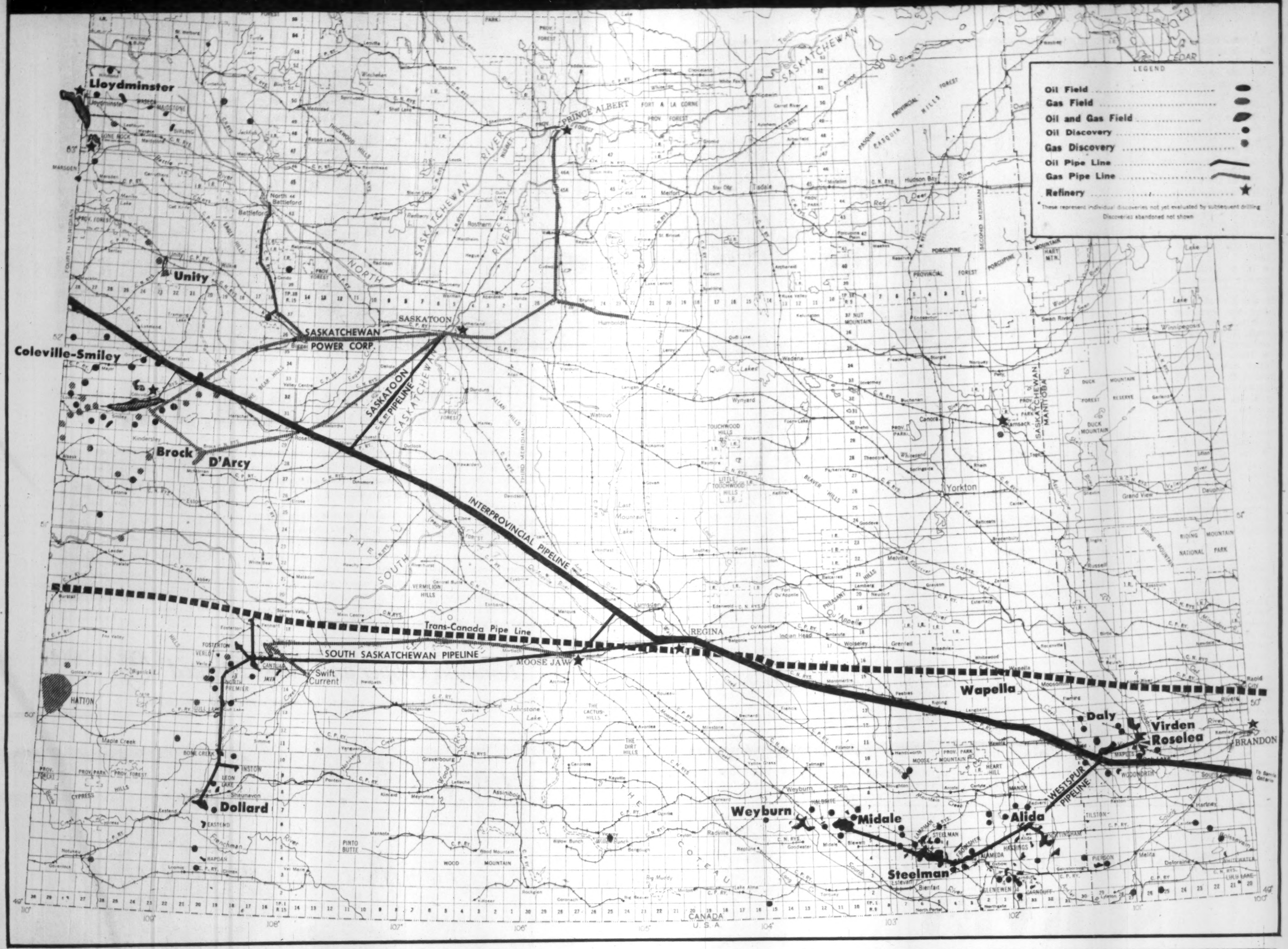

St. Lawrence Search Baffles the Industry

It has been a year of frustration in the St. Lawrence lowlands.

The repeated comment in oil and gas circles: "We **know** that natural gas is there."

The problem: Find it—in major quantities.

This year's high point came in March when **Bald Mountain Oil Co.** made the province's first major gas find at a location 12 mi. east of Three Rivers. This reportedly tested at better than three million cu. ft. daily.

Since then Bald Mountain and other firms have probed vigorously for more gas.

But four Bald Mountain drilling ventures in the vicinity of its discovery well have been disappointing. No large gas field has been outlined as yet, although company still hopes for further discoveries and says it plans further drilling in the area.

Company has spent more than $400,000 for field work from July 1, 1956 to Nov. 30, 1957. For a considerable period it had four drills operating. Presently two drills are running.

Of this year's 14 wells, five were in the Batiscan area, two near Louiseville, two in Portneuf, one each in the following areas: Berthierville, Cap Sant, St. Casimir, St. Roch, Ste. Anne la Perade.

Company officials say they intend to do further work next year in the Batiscan area, near Louiseville, Perade, Cap Sant, Portneuf and new work in the Sorel area.

In all, an estimated 30-plus companies are interested or active in the lowlands. Their interests lie roughly along the St. Lawrence River from the Montreal and Richelieu River districts almost to Quebec City.

Holes drilled or planned for this year total something like 40 to 50. These include shallow test-holes, many of which can be drilled deeper, if it's felt desirable.

Bald Mountain naturally has been the biggest newsmaker.

Recently it reports testing considerable gas flows from its Louiseville No. 2 well, including one at 992 ft., with further drilling scheduled.

In all the company has drilled in 14 locations this year for a total depth of 25,800 ft.

A big gas find is a much-prized goal. Finding gas so close to a major market would mean a very high wellhead price. That's the main reason for the persistence of the search—although there is much lesser interest in oil possibilities, as well.

Imperial Oil's exploration agency in the lowlands is **Lowlands Exploration Ltd.**, a wholly-owned subsidiary.

Its activities this year included gravitymeter surveys, geological surveys, shallow structure test drilling and exploratory drilling.

Gravitymeter surveys were carried out in the Yamaska-Pierreville and Nicolet areas. Geological work consisted principally of sub-surface studies, but some surface geological mapping was also carried out.

Shallow structure test drilling was done in the Yamaska-Pierreville area.

Well Abandoned

During 1957 drilling was continued on Imperial Lowlands No. 2 (Nicolet) well, near St. Gregoire, which was commenced in 1956 and finally suspended June 1, 1957 at a depth of 4121 ft.; and also on Imperial Lowlands No. 3 (Nicolet) in the Parish of Precieux Sang, started in 1956.

This latter well has been abandoned as a dry hole at 6514 ft.

Imperial Lowlands Vercheres No. 1 well in the Parish of Vercheres, Vercheres County, was abandoned at 3762 ft.

Imperial Lowlands No. 4 (Lotbiniere) near the village of Lotbiniere was drilled and abandoned at 1,969 ft.

Currently one well, Imperial Lowlands No. 6, near St. Perpetue in Nicolet County, is drilling.

Some shows of gas were encountered in most of these wells. None approached commercial proportions.

Quonto Petroleums reports that during the past year its predecessor company, **Oil Selections Ltd.**, drilled a total of 21,000 ft. in the area covered by its claim plus a special permit covering 91,000 acres.

This, combined with two gravitymeter surveys and an airborne scintillometer survey, resulted in expenditures of about $300,000.

In April this year an agreement was made with **Okalta Oils** and **Oilmont Petroleums Corp.** naming Quonto as manager - operator of areas adjacent to and west of its own territory.

Quonto undertook to drill wells on Isle Jesu and in the Mascouche area to production or basement.

Huge Rig

The company in October spudded in both sections. It's using a drilling rig on Isle Jesu capable of going to 5,000 ft., one in Mascouche capable of 3,000.

A recent report said the former had reached 1,400 ft., the latter 600. Total cores are being taken all the way down.

Future plans will be affected by these drilling results. However, there is a tentative plan covering 10 drilling locations.

Quonto has taken over the assets and liabilities of Oil Selections and, in the case of Oilmont, a number of associated firms were brought together to form **International Metal & Petroleum Corp.**

Seaway Gas and Oil Ltd. says a geological survey was carried out by **Almega (Quebec) Ltd.**—a wholly-owned subsidiary — on its concession east and north of Three Rivers.

During the early summer a gravitymeter survey covered most of the approximately 60,000-acre concession. Readings have been plotted and a map prepared. This is being studied.

An interpretation, says the company, suggests the area is dominated by a major fault with possibility of considerable fracturing.

To confirm this interpretation, a series of stratigraphic test holes has been drilled near St. Maurice, and also near the town of Champlain.

Vary in Depth

These holes vary in depth from 80 ft. to 350. Cores of 20-50 ft. have been taken from bedrock.

In the St. Maurice area seven holes are finished, work on an eighth was proceeding recently. Five have been left with surface casings set so drilling can be resumed, if desired.

Both holes in the Champlain area have been left similarly. Another may be drilled.

Future plans will depend upon results of this work. But, says Seaway:

"Preliminary studies do seem to confirm earlier belief in the area's potential and it is definitely anticipated that a program of deep drilling will be started in the near future."

Company estimates it has spent $50,000 on the drilling and exploration program, as outlined.

Has Permit

Eastern Canada Gas and Oil Ltd. has an exploration permit covering 128,000 acres in the St. Johns vicinity. Last spring the company decided to delay further substantial operation and await results of other companies' drilling and exploration.

This decision followed abandonment of No. 5 well at 4,604 ft. when the drilling tool became lodged in the well and couldn't be removed.

No gas or oil show was found in this well. Company said none had been expected short of 5,000 ft.

Eastern Canada thereafter employed **Radar Exploration Co.** to do a gravitymeter survey of territory last drilled. This, it said, indicated drilling had been into or near favorable structures.

Eastern Canada says recent lowlands drilling results mean the search can profitably be transferred from the Trenton to Beekmantown formations. The latter calls for drilling to a maximum of 3,000 ft. on company's property.

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Arctic Gold

Search Spreads Northwards

A small cracking plant will be built in just a few years a couple of hours flying time from the North Pole.

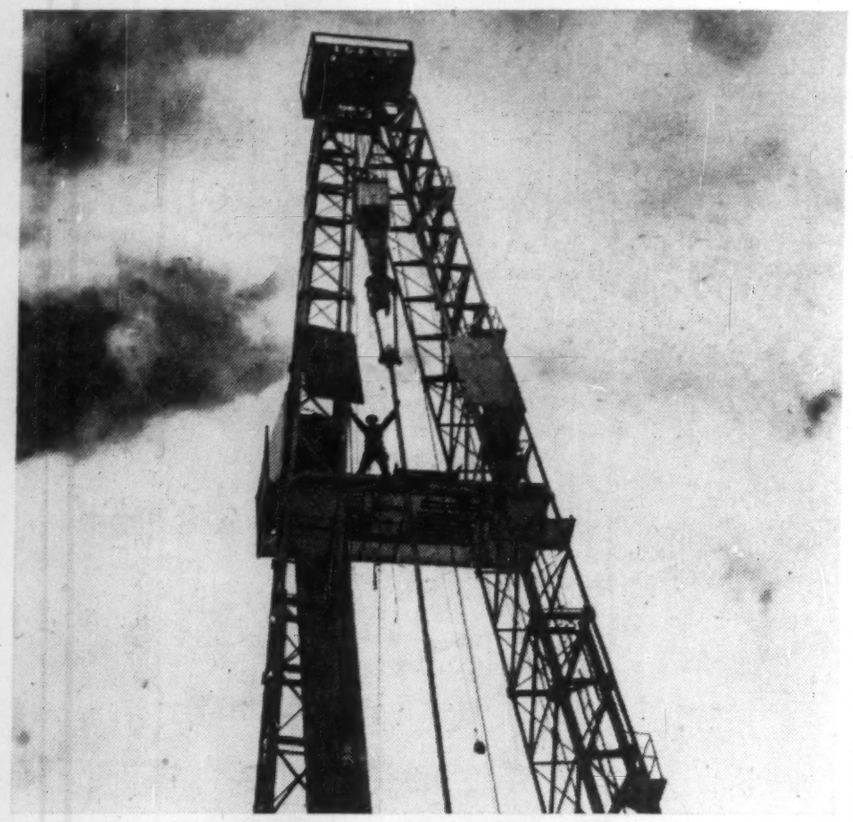
Fantastic expectation? Not so, say some federal Arctic experts.

On the contrary, they say, the proposition is worth taking a look at right now. The oil is probably there to sell and the customers are probably there to buy.

Site of the cracking plant: Ellef Ringnes Island, about halfway between the Arctic Circle and the North Pole at 100° longitude.

The simple reasoning behind the talked-of installation:

- It's no secret that there is greatly increased activity in the Arctic — although who is doing what is confidential. And the increased activity results in more travel by aircraft. And flying means fuel consumption.
- There are salt domes on Ellef Ringnes, an island of the Arctic lowlands, of rock formation similar to (and the tail end of) that of oil-producing Western Canada. Opinion is that there is enough oil on-site for at least a small beginning.
- Only other oil source is Norman Wells, on the Mackenzie River west of Great Bear Lake. But Norman Wells is too far south, is busy enough supplying local needs, has an excess of lighter distillate.



DERRICK MAN on monkey board at Rimbey, Alberta.

Biggest Factors

Two of the biggest factors now weighing against an Ellef Ringnes plant:

1. The plant would probably produce an excess of heavy distillate, and no large consumption of heavy fuels is now foreseen, despite probable heating needs due to sub-zero temperatures.

2. The oil industry is concerned now with development much farther to the south, has probably not considered leap-frogging so far north for a variable market most of which would be the result of defense needs.

The fact is, oil and gas development in the southern part of the Northwest Territories, south of the Arctic Circle, is only just beginning.

Except for Norman Wells, no oil is produced; and except for two capped gas wells of **D. Todd Briggs** at Tathlina Lake, southwest of Great Slave Lake, no gas is of importance.

And the beginning dates really from this past spring when the first spudding-in took place in an area now called Eagle Plain-Peel Plateau around the Arctic Circle in the Yukon Territory.

Here are the key developments in gas and oil development in the Territories:

- Petroleum seepage was noted in the geological survey of Canada's first report on the Mackenzie District covering field work undertaken in 1887-88.
- In 1914, three claims were staked along the Mackenzie River near Boxworth Creek, about 48 mi. north of Fort Norman. The **Northwest Co.**, a subsidiary of **Imperial Oil** acquired them and, in 1919, drilling equipment was shipped to the site now known as Norman Wells.
- First well was drilled in 1920 and oil in commercial quantity discovered.
- A small refinery, capable of producing gasoline and diesel fuel was put up by the Northwest Co. in 1921 but demand was slight until gold mining began in the Yellowknife area of Great Slave Lake.

Two more wells were brought in by Imperial Oil in 1939 and 1940 and refinery production enlarged to include heavy diesel and fuel oils.

- During World War II, when Canada and the U. S. were concerned with war against Japan, the two countries agreed on the Canol Project, under which a large drilling program at Norman Wells was carried out, a 3,000 b/d pipeline was built from Norman Wells to Whitehorse, Yukon Territory, and a refinery built at Whitehorse.

Pipeline and Whitehorse refinery operations ceased in 1945, but the drilling program had resulted in 67 new wells (7 dry) showing an oil field of about 4,000 acres with an estimated recoverable reserve of more than 35 million bbls.

- After 1945, further exploration but of a limited nature was carried out in the Mackenzie District, away from Norman Wells, but interest lagged until the oil boom came to Alberta.
- In 1951, first serious oil play came to the Mackenzie-Liard area at the B.C.-Alberta-NWT border. It's largely an area of muskeg—with, hence, a short, three-month winter work season Jan.-Mar. Imperial Oil obtained 73 permits on Jan. 12, 1952.
- In 1952, **Conwest Exploration,** having taken a good look at potential in Fort McPherson area, asked the federal government to hold the required public competition to award exclusive exploration rights. Conwest bid highest ($400,000), got:
- 3,066,880 acres in what is now called Eagle Plain;
- 3,066,880 acres in what is now called Peal Plateau.

The move touched off a wave of exploration in the area which has surrounded the two reservations with permits of other companies.

At Oct. 31, in the Northwest Territories, there were 423 oil and gas permits out covering 21,969,420 acres. In the Yukon Territory: 226 permits covering 10,109,010 acres.

Pending Revision

There are another 43 permits covering 1,997,012 acres in NWT and 4 covering 97,092 acres in the Yukon being held pending revision soon of the Territorial Oil and Gas regulations. It is considered most unlikely that any more reservations will ever be awarded.)

A permit may cover from 14,000 to 63,000 acres, is for 6 years, costs $250.

The company concerned must spend 5c per acre on exploration and development during the first 18 months of the permit's life, 25c during the second, 30c during the fourth year, 40c during the fifth year and 50c during the last year.

The company may apply for a 21-year renewable lease then, or within the six-year permit period. Cost is 50c an acre during the first year, $1 an acre afterwards, plus 10% royalty on oil and gas proceeds in each of the first three years and 12½% in succeeding years.

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The 1957 Survey of Oils provides an extensive map section showing location of wells in established fields. A price range of listed stocks for the past eight years is a valuable feature. Order your copy now for immediate delivery.

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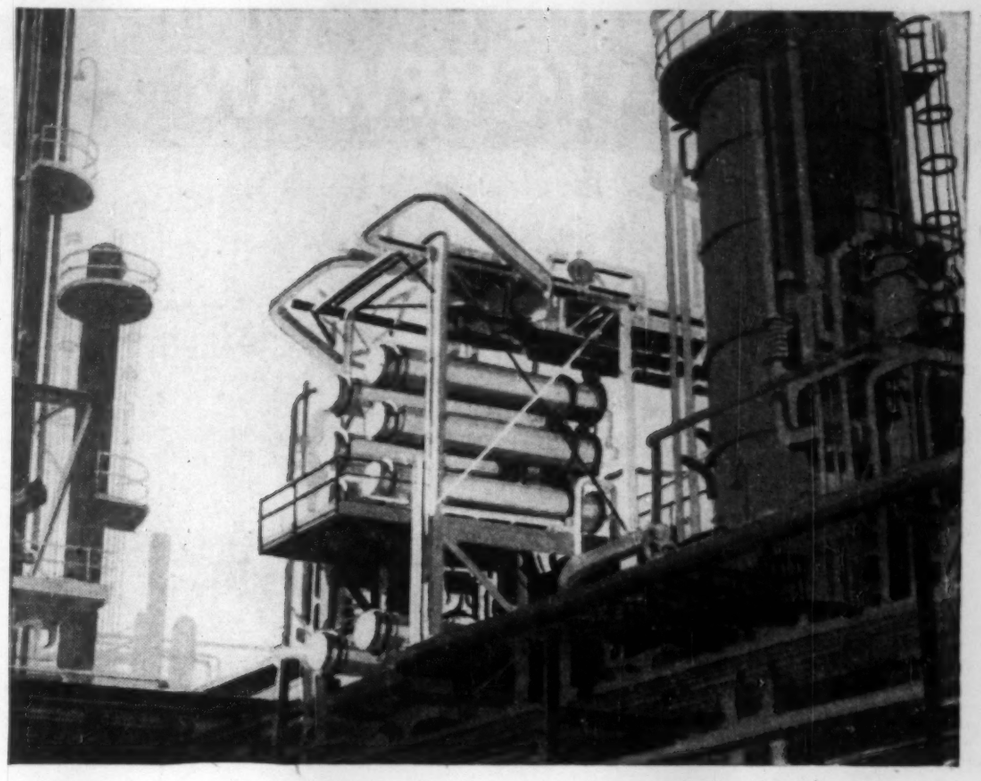

The Chemical Industry builds for the future

...and Noranda lends a hand with copper-base alloys

Prominent in the expansion of Industrial Canada is the chemical industry. For this progressive industry is constantly planning ahead . . . expanding its productive capacity in order to meet the country's growing needs for new and improved chemical products.

In all this, Noranda lends a hand, supplying high-quality copper-base alloys that add years of productive life and improve the performance of important chemical plant equipment. Condenser and heat-exchanger tubes are specially engineered and produced in order to fight the corrosive attacks of petroleum liquids, acids, chemicals and other solutions.

Similarly, in other fast-growing industries, Noranda copper-base alloy mill products find important application in lowering costs and bring about product improvement. If you need copper, brass or bronze, sheet, strip, tube or wire, get in touch with Noranda. We'll be happy to put our services to work for you.

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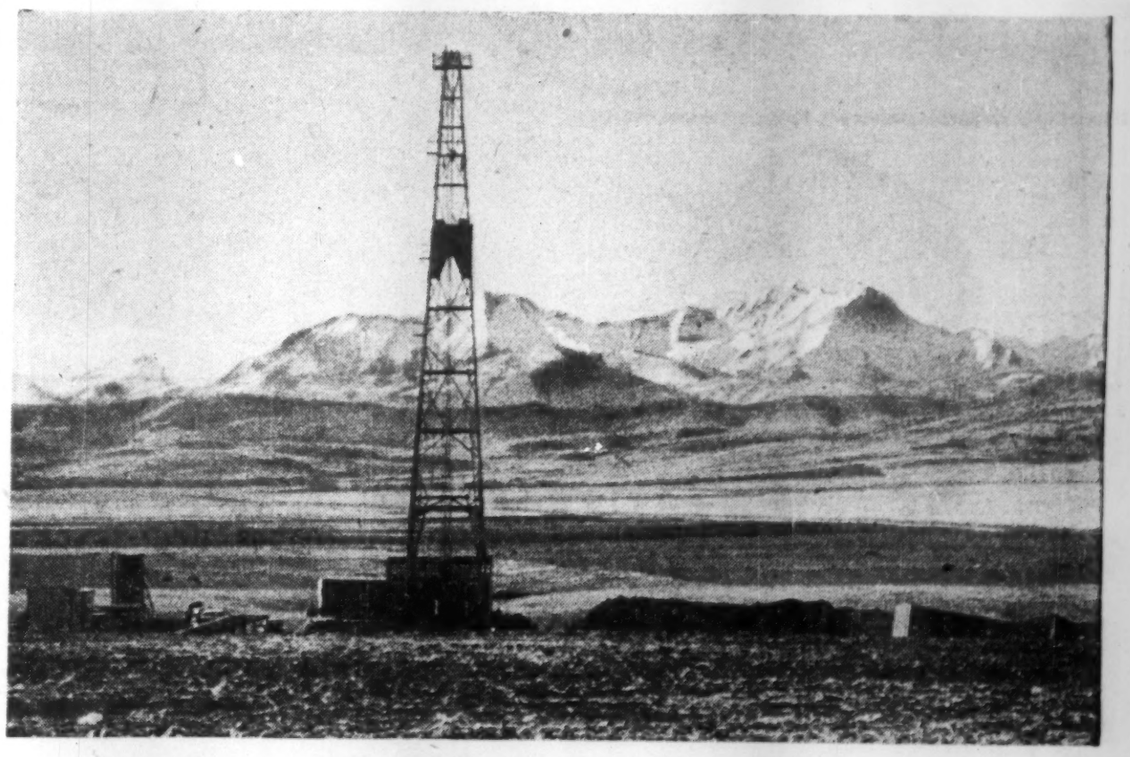

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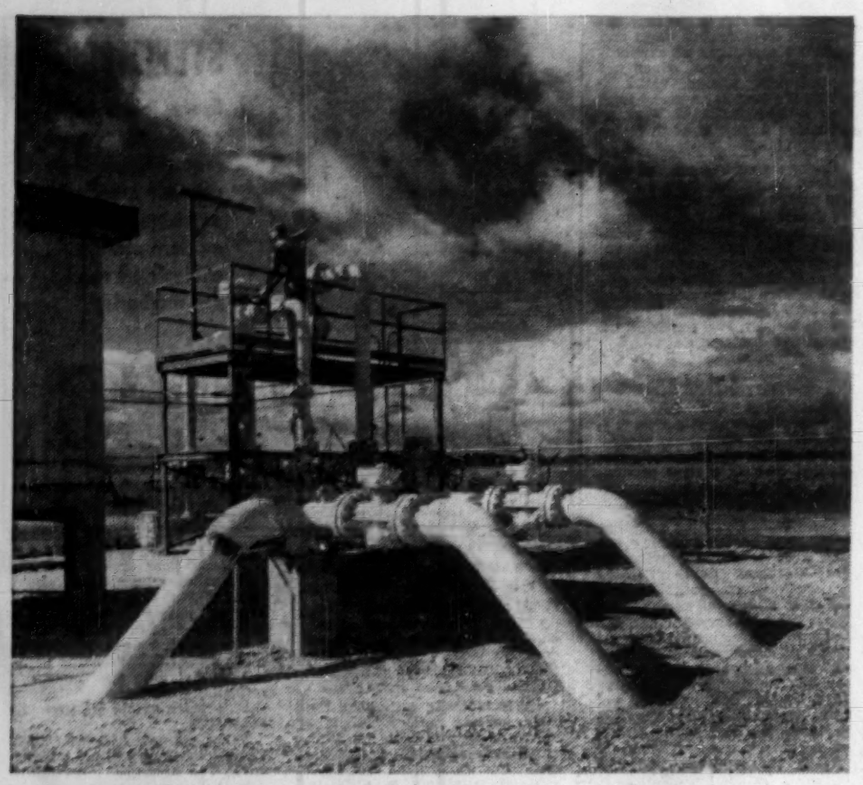

FROM THIS "City Gate" near Winnipeg, Alberta gas will be distributed.

Companies

Anglo-American

Anglo American Exploration Ltd. is engaged in all phases of the petroleum industry in Western Canada. It has interests in 37 oil wells and about 21,500 acres in Alberta and Saskatchewan, owns and operates a 4,000-bbl. daily capacity refinery near Calgary and owns, controls, or has under contract more than 800 service and bulk stations in those two provinces.

Wholly and partly-owned subsidiaries hold both productive and undeveloped acreage in Saskatchewan, Manitoba and Nova Scotia.

An expansion and development program begun in 1955 has been continued. The office building and refinery have been modernized and marketing facilities have been extended, resulting in increased sales and higher profits.

Gross income for the first nine months of 1957 amounted to $11,615,585, an increase of 15% over the corresponding period of last year. Net cash generated after provision for cost of products, operating expenses and interest charges was $1,005,570.

Net profit for the 1957 period was $442,605, compared with $90,282 for the first three quarters of 1956.

Working capital at Dec. 1, 1956, stood at $704,333.

Funded debt comprises $2,988,000 first mortgage 5% bonds due 1957-64, and $4 million 5½% Series A convertible notes due 1975. The notes are currently convertible into stock at the rate of 48 shares per $1,000 note. Share capital consists of 3 million shares, and there are 1,171,503 shares issued and outstanding.

Amurex Oil

Amurex Oil Co. and its wholly-owned subsidiary, **Ponder Oils Inc.**, hold participating or royalty interests in 129 producing wells and 27 gas wells, equivalent to ownership of 36 net oil and 13.3 net gas wells. Another subsidiary, Devon Drilling Co. Ltd., owns and operates three rigs.

In the Midale and Weyburn fields of southeastern Saskatchewan the company has completed 9 additional light-oil producers to bring its total here to 22. A few offset locations remain at Midale to be drilled as offset requirements are fulfilled. In Alberta, acreage at Pembina held with others was drilled out with the successful completion of 20 oil wells, and Amurex and its partners are forming a private company to facilitate the handling of their holdings in the Athabasca Tar Sands. One accumulation of oil has been blocked out here and three additional areas of probable commercial reserves are outlined.

Six oil producers have been brought in on land in Montana in which the company has an override royalty, and it is making a dry hole contribution to encourage drilling offsetting a substantial amount of jointly owned lands in Powder River County, Montana. In addition oil wells were completed in the Arthur field and a gasser was drilled in Wharton County, Texas.

Future development plans include further work at Midale and in the Hatton gas area of Saskatchewan, from which gas is sold to the **Sask. Power Corp.**, in the Berry Creek region of Alberta, and the Arthur field, Texas. Secondary recovery methods are being studied for certain properties.

Reserves were last estimated in May, 1956, at 2.4 million bbl. of oil developed and 1.9 million undeveloped, plus 36.8 billion cu. ft. developed and 61 billion undeveloped of natural gas. Production of oil was at an average rate of about 1,400 bbl. per day last August, while natural gas sales were about 800 Mcf per day.

Gross income of $1,748,169 for the year ended Aug. 31, 1957, included production revenue of $1,152,614 and drilling income of $556,768. Net loss was $732,674 after all expenses including depreciation, depletion and amortization of $968,194. Working capital at the end of August was $253,967. Bank loans totaled $1,139,643, of which $431,899 were shown in current liabilities.

Authorized capital is 3 million class A and 250,000 class B common shares, and there are 1,388,550 class A and all the class B shares issued.

A. P. Consolidated

Alberta Pacific Consolidated Oils Ltd. began to derive its first income from its natural gas interests last July with the connecting of the Bindloss field in Alberta to the **Trans-Canada** pipe line. Company has a 10% share in 45,000 acres in the field, on which are located seven gas wells. Further development is under way.

Interests are also held in some seven oil producers in the Leduc, Joarcam, Rimbey and Joffre fields, and in 333,578 acres in Alberta, British Columbia and Manitoba. Some of the larger blocks are held under agreements by major companies, with exploration work being undertaken or committed.

Net income after production expenses amounted to $201,213 for the year 1956. Net profit was $84,124 after charging off all exploratory and development expenditures and allowing for income taxes. Working capital at the close of last year stood at $583,829.

Authorized capital is 5 million shares, and there are 2,901,758 shares issued and outstanding.

Banff Oil

Banff Oil Ltd. is concentrating its financial resources and exploration skill in the search for oil and gas on the 600,000 acres in southern Alberta in which it has a stake.

In the north half of the province company has interests in more than 2 million acres, mostly in large reservation blocks. These are being explored and drilled by major oil companies. Altogether Banff expects to participate this year in the drilling of more than 30 wildcat and field wells.

Company has also moved to strengthen its position in the development of natural gas, and has a share in three fields along the gathering system of the pipe line proposed to run from the foothills south into the U.S. These are in the Nanton, Wimborne and Calgary areas, and wells here have flowed gas at rates up to 20 million cu. ft. per day plus distillate.

Net recoverable reserves of Banff were estimated at the close of 1956 at 2,043,077 bbl. of oil and 23.2 billion cu. ft. of gas.

Production of the company increased to 58,338 bbl. of oil during the first half of 1957, and net income for the period after royalties and operating costs amounted to $114,070. Working capital was $578,852 at June 30, 1957, compared with $82,078 at the end of last year.

Authorized capital comprises 1,000 convertible preferred shares, $100 par value, and 4 million common shares. At mid-1957 there were 3,257 preferred and 3,414,353 common shares issued and outstanding.

Bailey Selburn

Bailey Selburn Oil & Gas is carrying out an aggressive exploration and drilling program, and expects to put down 16 wildcat wells during the second half of the current year.

Field drilling will also be done at Lampman and Halbrite in southeastern Saskatchewan, in the Pembina and Wainwright fields, Alberta, and in other areas where natural gas production has been established.

Company owns the equivalent of 86 net oil and 13 net gas wells in various fields of Alberta and Saskatchewan. Landholdings totaled nearly 3 million acres, in which the company's interest is equal to about 1.6 million.

One of its most important subsidiaries, **Trident Drilling Co. Ltd.**, owns and operates 13 modern well-drilling rigs.

Reserves were estimated as at March 1 of this year at 37.6 million bbl. of oil and 105 billion cu. ft. of natural gas. The oil figure includes developed and proven undeveloped reserves from both primary and secondary recovery methods. A further minimum of 230 billion cu. ft. of gas is considered by the company as being reasonably expected to accrue to it.

Average daily oil production to the company was 3,665 bbl. in June, 1957, an increase of 18.5% over the daily average for June of last year.

Total consolidated income for the six months ended June 30, 1957, was $3,096,988, including revenue of $1,680,815 from oil and gas sales and contract drilling revenue of $1,479,230. Net profit after depreciation, amortization and unproductive development was $373,378 for the 1957 six-month period, compared with $338,815 for the like period of 1956. Working capital at mid-year 1957 stood at $6,718,484.

Authorized capital consists of 1 million preferred shares of $25 par value and 10 million class A and 600,000 class B shares. There are 181,600 first series 5% preferred and 400,000 second series 5¾% preferred shares issued, plus 2,841,528 class A and 564,000 class B shares. The first series preferred are each currently convertible into two class A shares and the second series into 1.3 class A.

Britalta

Britalta Petroleums Ltd. began to derive revenue from oil and gas production for the first time during 1956. By July of this year such revenues were at a rate of $450,000 per annum. Net oil production was at an annual rate of 111,550 bbls. and net production of gas was 667,300 Mcf.

Gross landholdings had increased by last July from 221,877 acres to 582,646 acres, with a corresponding increase in net acreage from 119,662 to 272,349 acres. A wholly owned subsidiary, **Tri-Province Drilling Co.**, owns and operates six well-drilling rigs.

Earlier this year Britalta acquired a subsidiary in Ontario, **Colonial Petroleums Ltd.**, which holds oil and gas leases on about 18,500 acres in the southwestern part of that province and has two gas and three oil wells. These produced a gross income of $40,000 during the year prior to date of acquisition. Another oil producer has since been completed in Kent County, Ont., and further work is planned. A one-twelfth interest is also held in more than 100,000 acres of licenses underlying Lake Erie, on which drilling is under way.

Britalta has, in addition, agreed to participate to the extent of $150,000 in the search for oil under Lake Maracaibo, Venezuela.

Late last year the company acquired through a share exchange the assets of **Wilshire Oil Co. of Texas.** These include net proven reserves of 350,000 bbls. crude oil and distillate and 1.2 billion cu. ft. of gas, and about 126,000 acres of undeveloped lands in Texas, California and the Rocky Mountains. Wilshire has farmed out several tracts to other operators, who will drill a number of wells at no cost to it.

In Alberta the company has received approval by the Alberta Government of its contract to sell a total of 211 billion cu. ft. of gas from its Many Island Lake reserves to the **Saskatchewan Power Corp.** over a 20-year period commencing Oct. 1, 1957. The gross recoverable reserves in the field have been estimated at from 439 billion to 529 billion cu. ft., of which the company's share is half. A contract is also under negotiation for the sale of gas from the field to the city of Medicine Hat.

There are 3,900,335 shares issued of an authorized amount of five million. Long-term debt comprised, as at May 31, 1957, $94,835 of 6% equipment notes, payable monthly, and $750,000 secured 6% debentures due 1959. Consolidated working capital on that date was $1,269,702.

Charter

Charter Oil Co. Ltd. recently improved its working capital position by the sale of $2.25 million 5¾% subordinate convertible debentures due 1972.

They are convertible into common stock at $3.75 U.S. funds per share.

Major portion of the proceeds is to be used for exploration of the company's undeveloped properties, which at mid-year totaled 2.8 million acres under lease and reservation. Charter's net interest of approximately 700,000 acres includes 300,000 held on a pet carried interest basis.

Much of the lands located in the Peace River area of Alberta and British Columbia are farmed out to other operators for exploration and drilling at no cost to Charter, which retains carried interests of from 4½% to 25%.

Company derives its income from a stake in 28 oil producers in the Redwater field and 6 in other fields of Alberta.

Two of the producers are on 38,000 acres in the Youngstown area, which has not yet been fully evaluated.

Remaining recoverable oil reserves at Redwater were recently estimated at 540,000 bbls. and the small reserves in the other fields were stated to be not significant at the time.

A wholly-owned subsidiary, **Charter Drilling Co. Ltd.**, was formed last year and operates three drilling rigs.

Investments include 845,304 common shares of **Northern Ontario Natural Gas Co. Ltd.** acquired at cost of $33,067, and 50% of the outstanding common stock of **Magna Pipe Line Co. Ltd.**, which proposes to carry natural gas from the B.C. mainland to Vancouver Island.

Gross consolidated income for the nine months ended Apr. 30, 1957, amounted to $917,702, including contract drilling revenue of $752,073 and $99,913 from sale of production. After expenses including depletion and depreciation of $131,135, net loss for the period was $144,383.

In addition to the funded debt, there are 4 million common shares authorized, of which 2,397,852 are issued.

(Continued on page 82)

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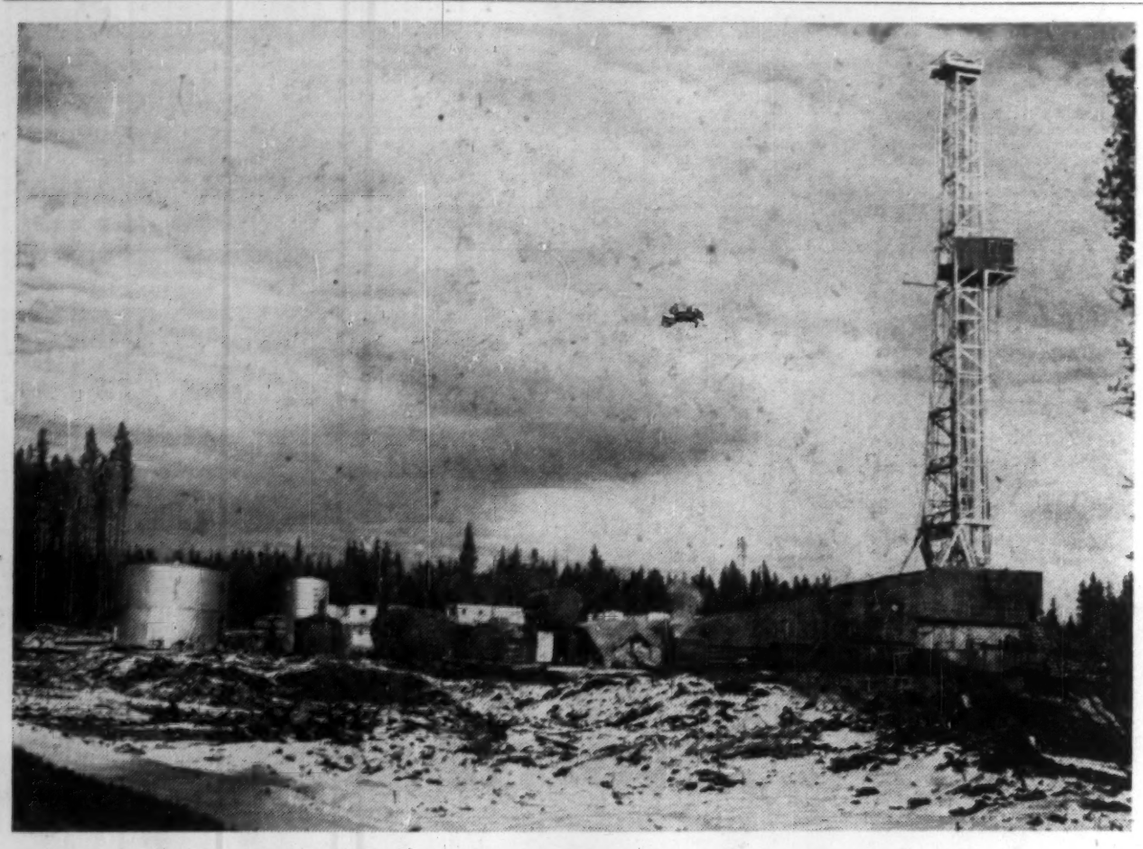


DEEPEST WELL ever drilled in Canada. It is owned by B-A Oil, Triad and others and situated in Alberta foothills.

Companies

(CONTINUED FROM P. 81)

Canso Pete

Chief holdings of **Canada Southern Petroleum Ltd.** consist of extensive tracts of unexplored permit land in northeastern B. C. These total some 3.5 million acres equivalent to 885,000 wholly owned acres.

The lands are farmed out to **Phillips Petroleum Corp., Imperial Oil Ltd.** and **Sinclair Canada Oil Co.** for exploitation at no cost to the company, which retains net carried interests ranging from 1½% to 50% in the lands and any production. An estimated $7.75 million is expected to be spent by these companies on the permits this year.

A large gas producing area has been outlined in the Buick Creek region about 30 miles northwest of Fort St. John, and sale of gas to Westcoast Transmission started earlier this year. Gas discovered in several zones at Blueberry Creek near the Alaska Highway is also under contract to Westcoast. Light oil is being developed on a permit just south of the Boundary Lake field along the Alberta border.

Other interests include a stake in 21 oil producers in Wyoming and Nebraska, and landholdings in Alberta, Saskatchewan, Manitoba and Northwest Territories. A half interest is held in **Act Oils Ltd.**, which has applied to the B. C. Government for a permit to construct a crude oil pipe line from the Peace River area of B. C. to tidewater at Bella Coola, a distance of 470 miles.

Gross income from Canadian operations for 1956 totaled $142,344, which was deducted from expenditures and the difference capitalized. The wholly owned U. S. subsidiary realized a total revenue of $421,525 for the year, from which a net profit of $21,956 was recorded.

Authorized capital is 8 million shares and there are 5,806,039 shares issued. With the recent conversion and redemption of the outstanding debentures of the predecessor company, **Canada Southern Oils Ltd.**, the company is relieved of its obligation to the debenture holders.

Central Explorers

A program of diversification is being undertaken by **Central Explorers Ltd.** in order to bring the company immediate earnings and great potential growth through subsidiaries, according to the new president, Melville Keim.

As a first step in the project the company is acquiring for 1.16 million shares the assets of **B. H. Hadley Inc.** (formerly **Capson Inc.**), a U. S. company. Such assets consist of the business and properties of **B. H. Hadley** Co., **Stellardyne Laboratories Inc.** and **United Atomics Corp.** of Pomona, Calif.

B. H. Hadley Inc. is engaged in engineering and producing a liquid oxygen valve and a release valve and regulator, both for guided missiles. It also supplies tooling machine parts for aircraft, automotive and other industries.

Assets of B. H. Hadley Inc. totaled $3,092,526 (Canadian funds) at June 3, 1957, including current assets of $1,420,969 and current liabilities of $1,185,295. Long-term debt aggregated $1,635,910.

Net sales of B. H. Hadley Co. and United Atomics totaled $2,915,872 U. S. for the period July 1, 1956-June 3, 1957, while their net profit was $192,868. No earnings were shown for Stellardyne for the period.

Central Explorers also has a stake in 31 productive oil wells in Alberta and Texas and in 292,412 gross or 100,767 net acres.

In the Simonette region of northwestern Alberta company has farmed out its 50% interest in 187,000 acres to **Shell Oil Co.**

Shell has put down four wildcats resulting in a promising oil show in one venture and gas at rates up to 4 million cu. ft. daily in another. Exploration is being continued, with the company retaining a net carried interest in the tract.

Total revenue for the five months ended May 31, 1957, amounted to $72,096, while net loss for the period was $47,134 as against $395,835 for the full year 1956. The latter figure included a loss of $256,875 on the sale of shares of **Petrol Oil & Gas Co. Ltd.** Working capital at the end of May was $281,652.

Authorized capital was recently doubled to 4 million shares, of which 2,410,000 would be issued following acquisition of B. H. Hadley.

Commonwealth

Commonwealth Petroleum holds income-producing royalties and potential gas and oil leases in various fields of Alberta, and controls **Commoil Ltd., Command Oils Ltd., Commonwealth Drilling Co.** and **Commonwealth Service & Supply Co.**

The drilling subsidiary is one of the largest in Canada, owning and operating 28 well-drilling rigs.

Earlier in the year the company acquired six parcels in southeastern Saskatchewan and began development thereon. The first well drilled, in the Steelman field, was successful and further drilling is being carried out on blocks in the nearby Midale and Weyburn areas.

Gross income of Commonwealth Petroleum for the year ended Sept. 30, 1956, was $915,545, of which $769,524 was received in the form of dividends from its subsidiaries. Net profit for the year was $774,442, equal to 39 cents per share, compared with $1,034,697 or 52 cents per share in the 1955 fiscal year. Working capital at Sept. 30, 1956, was $706,920.

Dividend payments were resumed in 1952, and the latest payment was of 15 cents per share in October, 1956. Authorized capital is two million shares, and there are 1,999,309 issued and outstanding.

Calalta

Calalta Petroleums has a stake in eight oil and two gas wells and in extensive undeveloped acreage in Alberta and Saskatchewan. It also has substantial share-holdings in an associated company, **Canada Oil Lands Ltd.**

Of its total landholdings of nearly 1.4 million acres, some 800,000 acres are farmed out to other companies for exploration, with the company retaining net carried or royalty interests. A further 300,000 acres are being explored by the company and its associates.

In the Normandville-Springburn area of northwestern Alberta, company has interests in nearly 170,000 acres, and the five companies partnered on the lands have budgeted for an expenditure of $1.4 million for geophysical surveys and drilling in the near future. Calalta will contribute 12% of these expenses.

Several light-oil and gas wells have been brought in on the tracts, and a continuous exploration program is under way.

Sales of crude oil totaled $12,654 for the year ended Dec. 31, 1956, while miscellaneous income amounted to $9,742. Net loss for the year was $42,679. Working capital at the year-end was $495,818.

Authorized capital is five million shares, of which 3.5 million are issued.

Canso Oil

Of great importance to **Canso Oil Producers Ltd.** was the recent elimination of its $3,739,000 debenture debt and the restrictions which it had imposed on the company's ability to finance. Nearly all of the debentures were converted into stock and the small amount remaining was redeemed on Sept. 30.

Removal of these limitations will permit the company to consider methods of raising new capital so that it can participate more actively in the search for oil and gas. Canso holds net carried interests in 1.3 million acres in northeastern B. C. equal to ownership of 67,600 net acres. Most of the lands are in large permit blocks and are farmed out to major companies for exploration. In some of the tracts Canso has the privilege of converting its carried share into a working participation.

A significant discovery of light oil has been made on a 98,000-acre permit near the Boundary Lake oil field along the Alberta border. Three oil producers and a gas well have been brought in on the permit and a one rig program is being continued. Company interest here is 7½% net carried. Farther west a 2½% stake is held in the West Buick Creek field, which has indicated large reserves of gas in several zones plus shows of oil. The gas pipe line of Westcoast Transmission runs through the field.

In Saskatchewan the company enjoys substantial income from its oil producers in the Smiley-Dewar and Eureka light-gravity fields and from the production of heavy grade oil at Buffalo Coulee. A recent strike of light-oil at North Hoosier, about eight miles west of Smiley-Dewar, is regarded as being potentially important. Further development here is waiting on results of tests of this find

A 300,000-acre block of permit lands has been acquired jointly with **Canso Natural Gas Ltd.** in the Northwest Territories about 80 miles east of Alaska. A preliminary geological survey is being conducted in conjunction with other operators in the area.

Gross income amounted to $1,171,444 for the fiscal year ended Mar. 31, 1957. After deducting all expenses plus write-offs of $655,440, net loss was $479,412. Working capital at the end of March amounted to $69,667. Authorized capital is four million shares, of which 2,866,433 are issued.

Cdn. Superior

Canadian Superior Oil of California participated in the drilling of 325 wells in Western Canada during the year ended Aug. 31, 1957. Of this total, 188 were completed as oil wells and five as capped gassers. The remainder were dry holes.

Fifty-five of the oil completions were wholly owned, 90 were drilled jointly with others and 34 were put down by other operators on company lands with Canadian Superior retaining working or royalty interests. Dry hole, bottom hole and other contributions were made to 10 of the successes and 46 abandonments.

At the close of last August company held a stake in 436 oil producers in Alberta, Saskatchewan and Manitoba, equivalent to 100% of 255 net wells, plus 11 net gas wells. Land spread consisited of approximately 2.98 million net acres in the three provinces as well as 711,000 net acres of permits in the Yukon and Northwest Territories.

Net production after deducting royalties and outside interests totaled 2,721,999 bbls. during the fiscal year ended Aug. 31, 1957, for an average of 7,458 bbls. per day, an increase of 83.7% over the preceding year. During August last net production averaged 8,907 bbls. daily.

Gross revenue from oil production aggregated $6,751,782 during the 1957 year. Company is deemed to be still in the exploratory and development stage and therefore capitalizes all expenditures net of income. Such net expenditures totaled $4,222,209 during the year for a grand total since 1943 of $26,002,164. Working capital on August 31 of this year was $4,711,098.

Under a credit agreement with two U. S. banks, $13.5 million was borrowed by the company by the end of August and a further $3 million had been made available by the banks. The loans are repayable in semi-annual instalments to 1964. Authorized capital is 4.5 million shares, and of 4,479,000 issued, approximately 51% are owned by **The Superior Oil Co.** of Los Angeles, Calif.

Central-Del Rio

Central-Del Rio Oils Ltd., successor to **Central Leduc Oils** and **Del Rio Producers**, reports that it now has a greatly increased cash flow from production, strong working capital position and no long-term debt.

Company's Canadian activities have been confined during the past year or so to proving up the Weyburn light-oil field in southeastern Saskatchewan, which it discovered about three years ago. At July 31, 1957, the company had major working interests in 65 oil wells in the pool and is keeping three rigs in operation there. The productive limits of the field have not yet been determined. Company reserves in the pool were estimated early this year at some 40 million bbls. proven and 17.5 million additional probable.

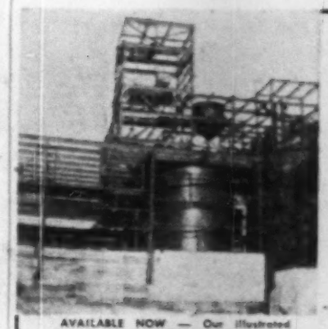
A wholly-owned U. S. subsidiary participated during the year in an important oil discovery in what is now the Lignite field in Burke County, North Dakota. The subsidiary has a 37½% stake in the find and from 25% to 37½% in approximately 13,000 acres in the general vicinity. Two rigs are being operated by the subsidiary and its partners and expectations are that substantial oil production will be developed there.

Other interests of Central-Del Rio include major working shares in 27 producing oil wells in Alberta, and in Saskatchewan the equivalent of 1¼% gross royalty in 110 oil wells through a 50% share holding in Minerals Ltd. and 6¼% gross royalty in nine producers. Another wholly-owned subsidiary has two drilling rigs.

Total revenue of $2,239,341 for the fiscal year ended July 31, 1957, included production income of $1,325,704 and $785,744 from drilling operations. Net cash flow amounted to $818,906, while net profit after deducting write-offs was $82,118. Working capital on that date was $2,302,780, reflecting the sale of 502,500 shares which netted the treasury $4,179,000.

There are now 6,403,796 shares issued out of 10 million authorized. The $1,428,500 outstanding debentures were called for redemption on June 11, 1957, and were for the most part converted into common stock.

(Continued on page 83)



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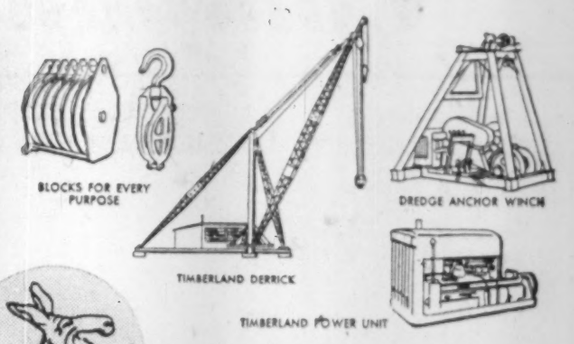

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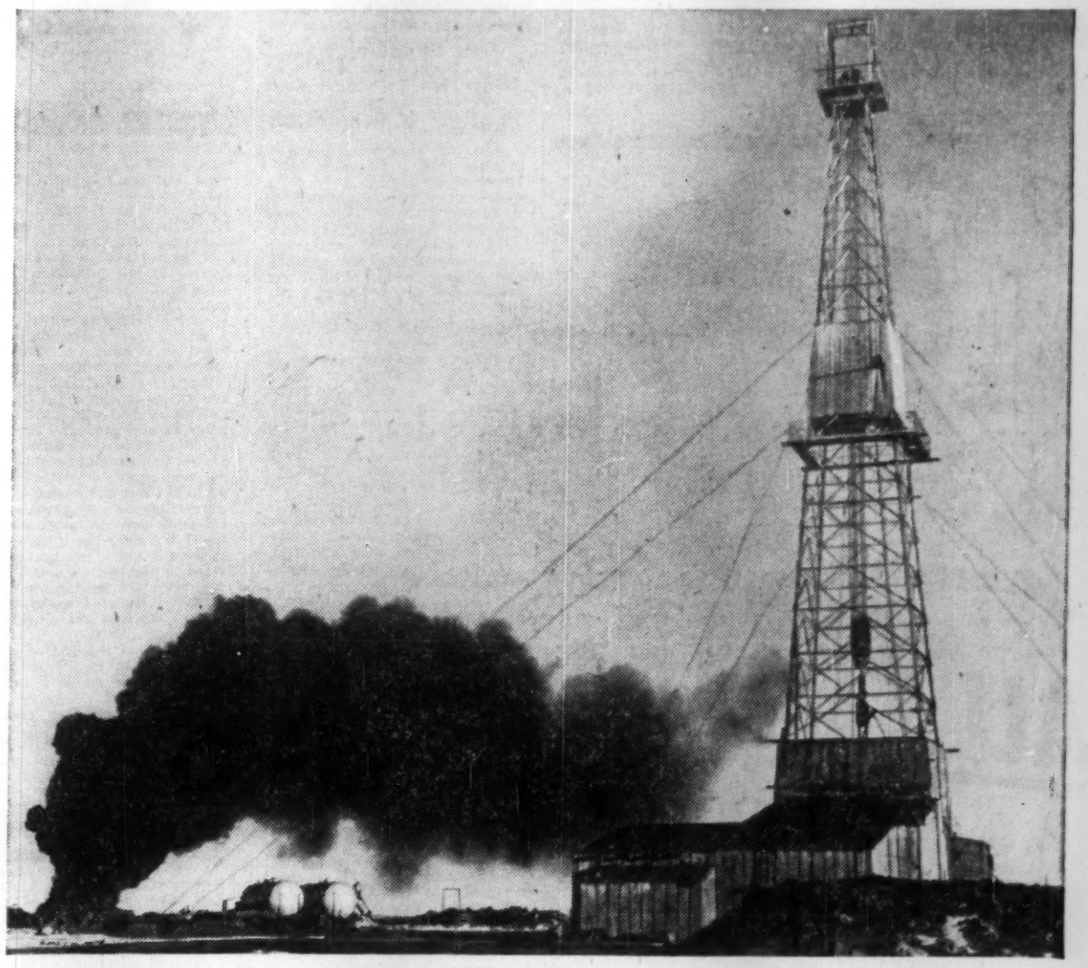

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In 1946, there were half a million oil-heated homes in Canada. Today, there are almost two million, 46 percent of all homes in Canada.

The crew at Imperial Leduc No. 1 that winter's day knew that very few wells drilled in unproven territory find oil in commercial quantities. This could be just another well in a long series of failures . . . 133 of them at a cost of $23,000,000 . . . which Imperial had drilled in western Canada.

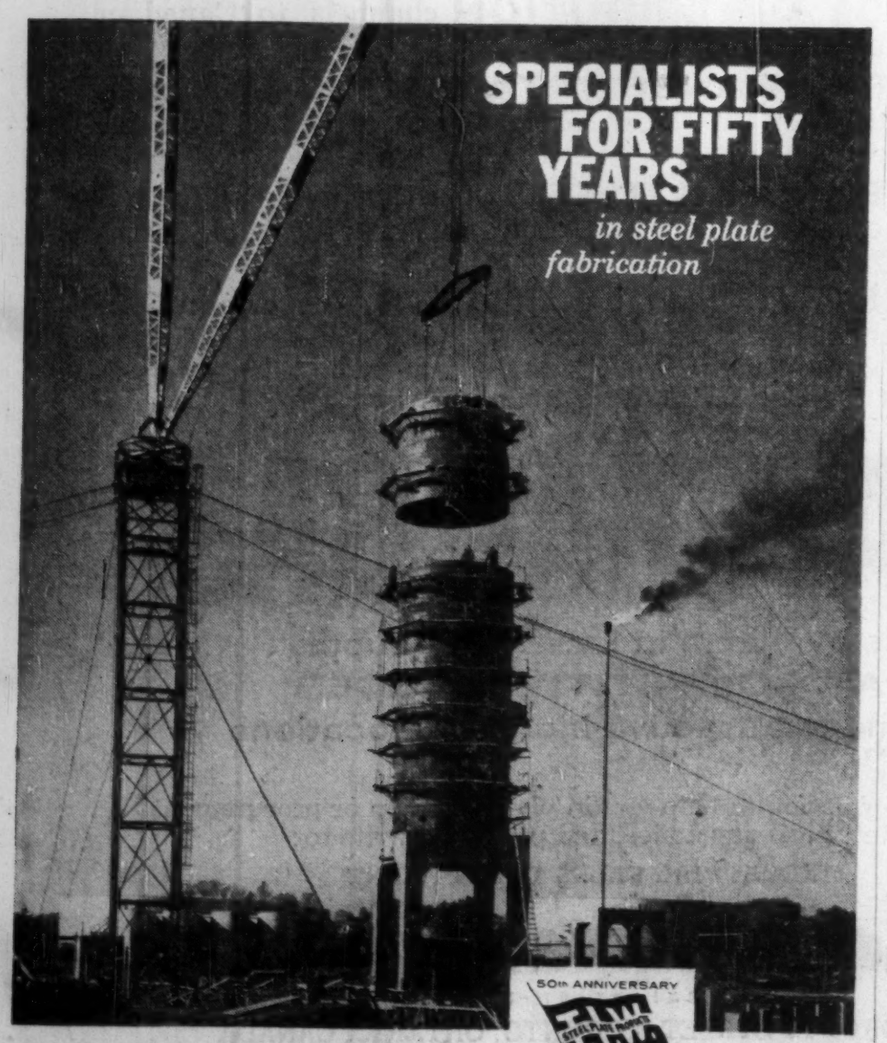
When Imperial Leduc No. 1 "came in" on February 13, 1947, the elated crew knew they had made an important discovery. What they couldn't know was just *how* important their discovery was, for Imperial Leduc No. 1 encouraged not only Imperial but hundreds of other companies to look for . . . and to find . . . more oil in Canada.

What were the results?

- A fast-growing oil producing industry, employing thousands.
- New refineries, and expansion of old ones.
- Birth of dozens of new industries.
- Large savings of foreign exchange that would have been spent on oil imports.
- A surer supply of oil for Canada.

Nor has this development reached its peak. Though about four billion dollars have already been invested in finding and developing Canadian oil, experts predict another 20 billion will be spent during the next 25 years, bringing us still more industries, more jobs, and, of course, more oil.

IMPERIAL OIL LIMITED — IMPERIAL ESSO PRODUCTS



and in all those years just one objective. Some companies have added different lines to their main occupation but we have stuck to the design, fabrication and erection of steel plate and other metals, as they were developed. The result has been leadership in our field so we intend to continue our policy of specialization. Send us your blueprints or problems for designs or quotations.

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Companies

(CONTINUED FROM P. 82)

Canada Oil Lands

Canada Oil Lands Ltd. holds interests in 1,075,899 acres of reservations and 278,511 acres of leases, chiefly in Alberta, and in four oil and six gas wells in that province. Royalties are also held in more than 80 oil producers on 1.1 million acres in southern Saskatchewan.

More than half of the Alberta lands are farmed out to major oil companies for exploration, mostly at no cost to the company, which retains net carried interests in the lands and in any production therefrom.

Of major importance to the company is its 15% to 20% share in about 170,000 acres in the Normandville - Springburn area of northwestern Alberta. Several oil wells have been completed in the Devonian and Jurassic formations, and other ventures have encountered gas. An expenditure of approximately $1.4 million has been budgeted for by the five companies on the tracts, and a continuous program of drilling is under way.

Total income for the year 1956 was $95,866. Of this amount, $44,674 was derived from royalties, and income from this source was expected to increase sharply in 1957. Working capital stood at $320,520 at Dec. 31, 1956.

New financing effected last August comprised sale of $175,000 of 6% convertible debentures, out of a total of $1,050,000 debentures authorized. The debentures sold are currently convertible into stock at $4 per share.

Authorized share capital consists of 3 million shares, of which there are 1,663,512 shares issued. In addition, warrants are outstanding to purchase 606,945 shares at $2.50 each to 1961.

Cdn. Homestead

Canadian Homestead Oils Ltd. has offered to purchase **Canadian Admiral Oils Ltd.** through an exchange of stock on the basis of one Homestead share for each four of Admiral.

Giving effect to the acquisition, Homestead would have working interests in 98 oil and 17 gas wells equivalent to nearly 29 oil and 5.3 gas wells net to the company, plus royalties in a further 282 oil and 10 gas wells. Acreage position would include three million acres for a net interest of 656,763 acres.

Net monthly production of the combined companies would amount to 11,567 bbls. of crude oil and 42.6 million cu. ft. of natural gas.

Anticipated annual gross production revenue plus contract drilling income from the company's five rigs would aggregate more than $2.4 million, while net estimated income before depreciation and depletion would be approximately $354,500 yearly.

Working capital of the enlarged organization would stand at $400,000.

Exploration on company properties in the Alberta Foothills has been increasing rapidly, and drilling activity has created new reserves and production, particularly in southeastern Saskatchewan. Next year development is planned on holdings at Hatton and Prince Albert, Sask., and in the East Drumheller area of Alberta.

C. West Petroleum

Consolidated West Petroleum Ltd. produces and sells natural gas for distribution in southwestern Ontario. It holds oil and gas leases covering about 13,000 acres underlying Lake Erie off Kent County, Ont., licenses of occupation on nearly 39,000 acres adjoining these leases and, jointly with **Imperial Oil Ltd.**, licenses on 4,690 acres under the lake about 30 miles east of the leases.

On the leaseholdings and adjoining license the company has successfully completed 37 gas wells at an average depth of about 1,200 ft., and is continuing development of the field. All but one of the wells is on production. Drilling and completing a well costs approximately $20,000 and takes about a month, company reports.

OIL-SPATTERED driller makes adjustment to service rig in the Smiley field, Sask.

Proven reserves are estimated at around 40 billion cu. ft.

Company also owns and operates seven portable platforms, which are designed to be anchored in the lake and which hold the drilling equipment and crew's quarters. A wholly owned subsidiary, **Underwater Gas Developers Ltd.**, was formed last year to make available under contract, such methods and equipment for developing and producing natural gas from under water. A small profit is expected from 1957 operations of the subsidiary, with prospects of a considerably larger profit next year.

Revenue from sales of gas aggregated $499,331 during 1956. Net earnings of $369,147 were all applied to depreciation and amortization of exploration and development expenditures, in accordance with company policy. Working capital at Dec. 31, 1956, amounted to $443,927.

Authorized capital is 98,550 preferred shares of $1 par value, none of which have been issued, and one million common shares. Of these, 999,148 are outstanding. In addition, $717,375 of 5¼% debentures, due 1961, were outstanding at the 1956 year-end.

Cdn. Atlantic

Natural gas reserves of **Canadian Atlantic Oil Co.** continue to grow and several oil discoveries have been made lately on company lands. Most of its activities have again been centred on adding to the Peace River gas reserves for transport to the west coast of Canada and the United States.

Due to the success of the Fort St. John drilling and larger gas flows than anticipated, only about 75% of the wells originally calculated to meet initial pipe line requirements will have to be drilled here. In addition to the large volumes of gas, light oil has been found in two zones at Fort St. John and in the nearby Charley Lake and Boundary Lake areas.

Much of company acreage is being explored at no cost to it under agreements with **Imperial Oil** and **Sinclair Canada Oil Co.**, which will spend a total of $19 million on the lands. Acreage is also held in other areas undergoing exploration, such as the Keystone, Virginia Hills, Swan Hills, Sullivan Creek and Lesser Slave Lake-Athabasca regions of Alberta, and in southeastern Saskatchewan, where the company recently acquired a stake in a further 700,000 acres.

Foreign interests of Atlantic and its associates include approximately 100,000 acres in Venezuela on which two wells are planned, and holdings in Cuba on which more work is contemplated. Applications are also to be made for oil and gas rights in Switzerland and southern France.

Production revenue totaled $975,032 for the year ended Feb. 28, 1957, and operating profit before write-offs was $690,958. After charges including depletion of $139,932 and exploration costs of $360,711, net profit was $124,291. Working capital on that date was $2,095,362.

There are 3,230,535 shares issued of an authorized six million.

Calgary & Edmonton

The most important drilling development for **Calgary & Edmonton Corp.** during its latest fiscal year was the finding of light oil in the Innisfail area of Alberta. A total of 146 ft. of pay zone was encountered in the Devonian at the discovery venture, before striking water. A program is under way to evaluate the 4,997 acres on which the find was made, and in which the corporation has 25% interest.

Corporation holds oil and gas rights on 1,142,109 acres and participates in a further 188,099 acres, all in Alberta. At June 30, 1957, 419,224 acres of corporation lands were leased to other operators and 195,061 were under option to lease. On that date C. & E. held royalty and/or participating interests in about 220 producing oil and gas wells.

During the fiscal year ended June 30, 1957, the corporation shared in the drilling of 46 wells, including 27 completed as oil producers and four as gassers.

Three were still drilling at the year-end, of which two have since been successfully brought in. Nine ventures were drilling last September.

Total income for the 1957 year was $3,002,017. Net profit was $1,262,341 as against $1,015,792 for the 1956 fiscal year. Working capital at mid-1957 was $3,357,617.

Dividends of 10c per share have been paid each year since 1939. Capital stock comprises 3,250,000 shares, and there are 2,415,100 shares issued.

Canso Gas

Canso Natural Gas holds substantial interests in four proven gas fields in Alberta and Saskatchewan, and in undeveloped prospective acreage in those provinces as well as Quebec and the Yukon Territory.

It has a 26% stake in the Colville, Sask., gas unit from which natural gas is sold to the **Saskatchewan Power Corp.**, and approximately 48% in a gas unit proposed for the nearby Hoosier area. Gas is already being sold from this field and a combination exploration and development program was undertaken there this year.

Other gas interests include 35% in the Hatton field, Sask., where gas is also under contract to the Power Corp. for sale commencing late this year, and 25% in the Acadia-Sibbald field of eastern Alberta. **Trans-Canada Pipe Lines** has agreed to purchase more than 2 billion cu. ft. per year from this last pool.

Exploration is under way or proposed on joint property in the St. Lawrence Lowlands of Quebec and on 300,000 acres of permits in the Eagle Plains area of the Yukon. A gas and oil strike on company lands at Fusilier, Sask., is being followed up by the operator, **Canadian Seaboard Oil Co.**, and further drilling is under way in the Foremost, Alta., gas area.

Income totaling $172,956 for 1956 was deducted from expenditures and expenses for the year of $414,338, and the difference was capitalized in line with company policy. Working capital position at Dec. 31, 1956, showed an excess of $37,229 of current liabilities over current assets.

Authorized capital is 5 million shares, of which 3,662,677 are issued. The company has been relieved of its obligation toward holders of debentures of the predecessor company, **Canada Southern Oils**, with the recent conversion and redemption of the debentures.

Cdn. Devonian

Operations of **Canadian Devonian Petroleums Ltd.** have been chiefly concentrated in the light-oil area of southeastern Saskatchewan. Here the company has a stake in 189 oil producers equal to ownership of approximately 95 net wells.

The company and **British American Oil Co.**, which jointly own nearly 55,000 acres in the area's Steelman field, are keeping six drilling rigs busy on development. During the six months ended Sept. 30, 1957, they completed 47 oil wells out of 50 wells drilled. Extensive studies on waterflooding the field have been made and a pilot flood scheme is in progress by the various operators in the pool.

The company's development program at Steelman is well advanced and it enjoys a substantial cash flow, making it now possible to start an active program of acreage acquisition and exploration.

A seismic survey was conducted last summer on about 70,000 acres of permits west of the Weyburn field, and results are under study prior to drilling. Oil shows were encountered in a wildcat on 22,000 acres in the Gull Lake area of southwestern Saskatchewan, but were deemed to be non-commercial. Further drilling is planned here.

A recent report giving effect to the waterflood program places the company's reserves of oil on proven developed and proven undeveloped properties at nearly 38 million bbl. This estimate does not include probable additional reserves.

Gross production income for the six months ended Sept. 30, 1957, totaled $1,798,336 as against $300,973 for the same period of last year. Net oil income after operating, administrative and general expenses for the 1957 period was $1,270,467. There are 3,429,664 shares issued out of 3.5 million authorized.

Devon-Palmer

A project of major importance to **Devon-Palmer Oils Ltd.** is under way in the Okotoks area near Calgary. Here the company and **Texas Gulf Sulphur Co.** jointly obtained a farmout in six townships and are proceeding 3.1 million acres gross or 436,725 net acres of oil and gas leases, 200,000 gross (56,312 net) acres of minerals and royalties, and 433,288 acres of uranium prospects. A subsidiary, **Canamerican Drilling Co. Ltd.**, owns and operates seven well-drilling rigs.

Development work is being carried out or planned on 1,120 acres in the Pembina field, Alta., and in Saskatchewan's Weyburn pool. In addition an 18-well wildcat program is being forwarded with others in southeastern Saskatchewan, resulting so far in two new oil discoveries.

Reserves were placed at June 30 of this year at 6,805,675 bbls. of oil, 715,000 bbls. of liquid petroleum gases, 122.37 billion cu. ft. of natural gas and 2,146,000 tons of sulphur.

Gross production income for

(Continued on page 84)

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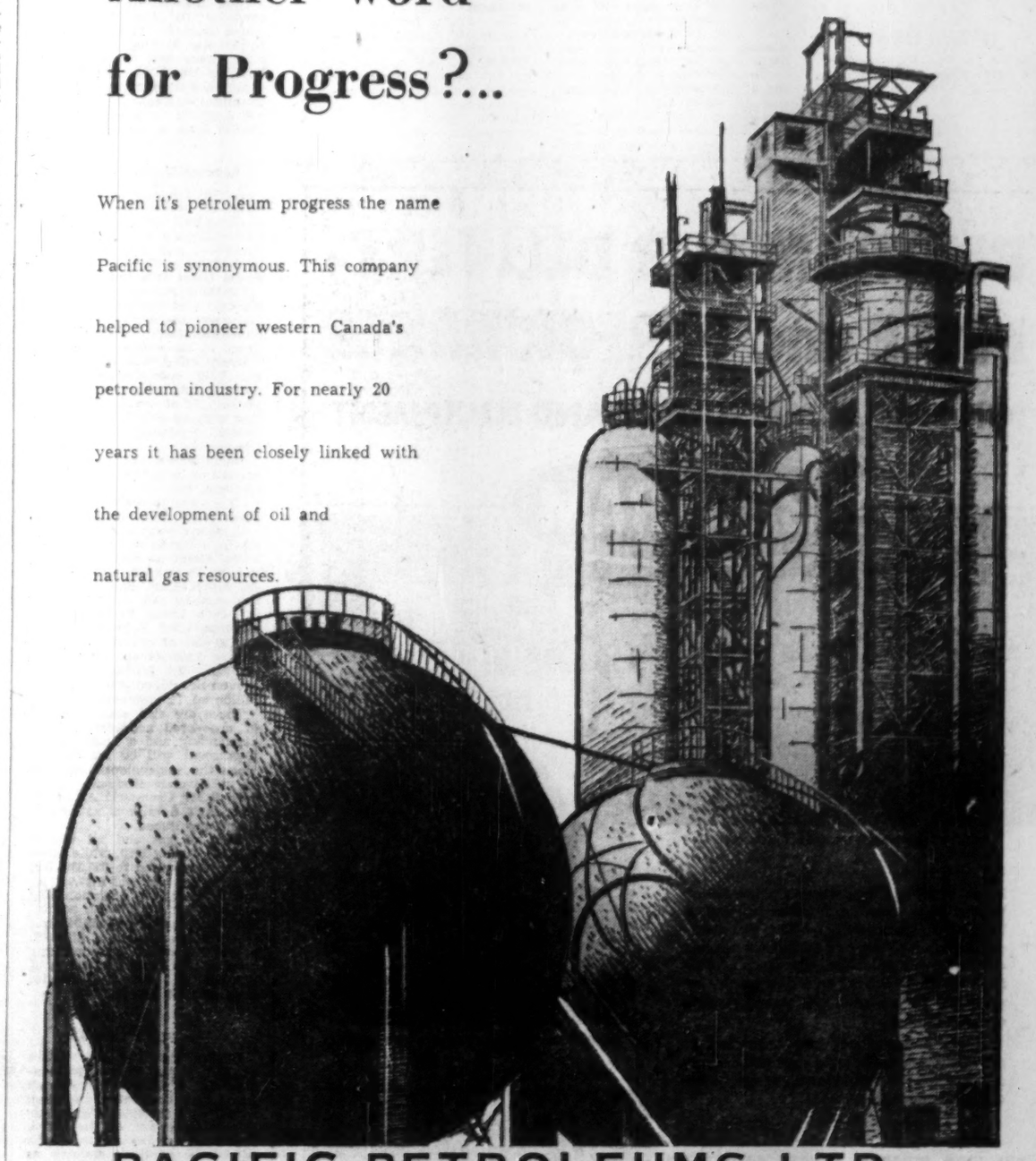


Companies

(CONTINUED FROM P. 83)

the five months ended June 30, 1957, totaled $556,987, resulting in a net cash flow of $350,043. Drilling revenue for the five months was $1,062,828. Working capital on that date stood at $2,313,396.

There are 12,147,209 shares issued out of 15 million authorized. Long-term debt comprises $711,900 convertible 5½% bonds due 1964 and $395,000 convertible 5½% debentures due 1963. The bonds are convertible into stock at $2.64 per share and the debentures at $2.86.

Dome Explorations

Gross income of **Dome Exploration (Western) Ltd.** for the first half of 1957 totaled $1,249,329, an increase of 51% over the corresponding period of last year. Operating profit for 1957 interval was $952,031, while net profit after write-offs amounted to $258,015. Working capital at June 30 of this year stood at $1,372,432. Net production of oil aggregated 442,986 bbls., a 31% jump over the 1956 half-year.

Participations were taken in the drilling of 38 wells during the first eight months of this year, including 14 wildcat ventures in all four western provinces. All 14 were dry, but 24 development wells in southeastern Saskatchewan and Manitoba were successful. Nine of the exploratory wells were put down at no cost to the company.

Currently operations are being conducted on proven or semi-proven properties at Pembina, Alta., and Steelman, Sask. Exploration is under way in the Sullivan Creek, James River and Meeting Creek districts of Alberta, all on farmouts to other operators. Altogether Dome had a stake at mid-year in 2.8 million acres in Western Canada and Ontario equal to nearly 1.9 million net acres. The Ontario lands consist of licenses of occupation covering approximately 46,000 acres from two to four miles offshore in Lake Erie.

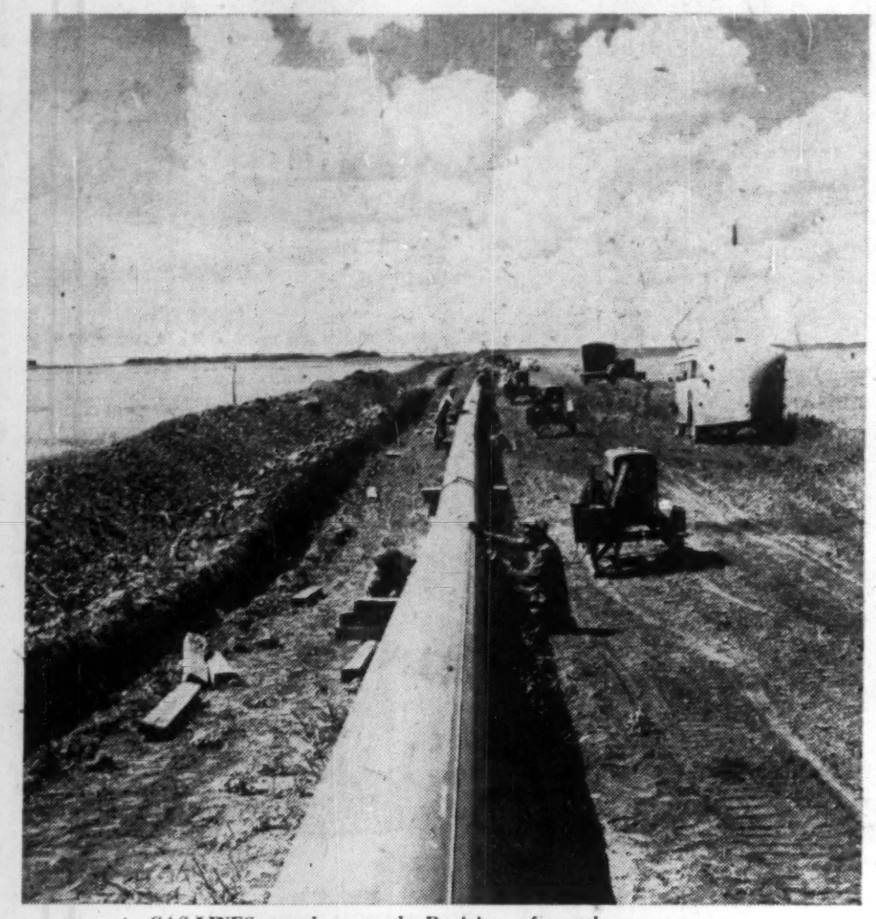
Steelman Gas Ltd., a new firm jointly owned by Dome and **Provo Gas Producers**, proposes to erect a $14 million plant to gather and process flare gas from the Steelman field. The plant will produce substantial amounts of propane, butane and natural gasoline and a small amount of sulphur, and the dry gas will be sold to Saskatchewan Power Corp. Preliminary financing arrangements have been made as well as contracts for the purchase of the raw gas.

Dome manages the operations of Provo Gas Producers, in which it holds a 37½% share interest, and **Western Naco Petroleums Ltd.**

Proven oil reserves were estimated at the 1956 year-end at 22.3 million bbls. net, while proven natural gas reserves were placed at 10.9 billion cu. ft. Authorized capital is three million shares and there are two million issued. Also outstanding at Dec. 31, 1956, were $3,915,000 of 4¼% notes due 1963.

Fargo Oils

During the first six months of 1957 **Fargo Oils** participated in the drilling of 39 wells in Western Canada. Of these, 28 were successfully brought in as oil or gas producers and the remainder were dry holes. Fargo's interest in the successes is equivalent to 14.35 net oil and 5.95 net gas wells.



GAS LINES stretch across the Prairies as far as the eye can see.

At June 30 of this year company had a stake in 185 wells equal to 151.46 wells net to Fargo. Net production for the six month period ended on that date averaged 1,900 bbls. per day, but this is expected to reach 3,000 bbls. daily upon the solving of marketing problems in the Lloydminster heavy-gravity field, where most of the company's producers are located.

Net holdings of 650,000 acres out of more than 2 million gross acres in northeastern British Columbia are considered to be of great potential value. The lands have been farmed out to two other companies under agreements whereby they will pay all costs of exploration and development leaving Fargo with a net carried interest. In the Blueberry area 12 gassers have been completed, proving up five potential horizons, and a long-term contract has been signed for the sale of a minimum of 50 million cu. ft. daily to **Westcoast Transmission**, commencing mid-1958. Exploration is being continued on the 400,000 acres in this area and at Gundy Creek, where gas was also encountered.

In Alberta work is under way on a 95,000-acre block at Acadia Valley, where gas was struck last August. A market should be available for the gas as the area is between fields which will supply the Trans-Canada pipeline.

Cash and inventories at June 30, 1957, totaled $1,976,755. Net operating revenue for the six months ended on that date aggregated $481,000, compared with $271,200 for the like period of 1956. Net profit for the 1957 half-year was $190,000.

Authorized capital is nine million common shares, of which 5,869,945 are issued and outstanding. **General American Oil Co.** of Texas holds 2,000,308 shares, or approximately 30% of the issued stock.

French Petroleum

French Petroleum Co. of Canada was formed in 1956 and acquired the assets of the Canadian branch of **Cie Francaise des Petroles, S.A.**, of Paris, France, which holds voting control of the company.

The assets, located in Saskatchewan, Alberta and British Columbia, were acquired for $9,749,009, satisfied by the issuance to the parent company of 9,082,183 ordinary shares and the assumption of debts totaling $666,826. Such assets included working interests or the right to acquire such in 2,766,934 gross undeveloped acres equivalent to 1,650,488 acres net to the company.

During the current fiscal year the company's exploration drilling is being concentrated in British Columbia, but further exploratory work is contemplated for the other two provinces. The principal oil producing properties are located in the Bonnie Glen and Pembina fields of Alberta, and at Torquay in southeastern Saskatchewan. In addition, 480 semiproven acres were recently acquired in the Harmattan-Elkton and Sundre areas of western Alberta.

Reserves of oil were estimated as at Apr. 30, 1957, at 7,345,400 bbls. proven and 3,040,600 bbls. probable additional.

Public financing was effected earlier this year through the sale of $15.8 million participating preferred shares of $10 par value. Working capital following the financing was $15,345,091; total assets amounted to $27,691,959.

Total income of the present company for the six months ended Apr. 30, 1957, amounted to $325,624. Net loss was $343,633 after write-offs, lease rentals, etc., of $404,305. Authorized capital is 4 million preferred and 25 million ordinary shares. There are 1,680,000 preferred and 11,270,548 ordinary shares issued.

Great Sweet Grass

A new roster of officers and directors headed by James H. R. Cromwell of New York and excluding all of the previous executive, was recently elected to manage the affairs of **Great Sweet Grass Oils Ltd.**

The new management is proceeding with measures designed to correct the company's recent difficulties and to restore confidence in the company.

Every effort will be made to cut field operating costs and general and administrative expenses, all of which are out of line with other oil and gas companies, according to President Cromwell.

Negotiations are also being carried on with Oil & Gas Management Inc. of Dallas, Texas, with a view to securing outside supervisory field management.

Company owns or holds interests in some 55 oil wells in Alberta, Manitoba and Oklahoma, and in 36 capped gassers. The gas reserves are under contract for eventual sale to Trans-Canada Pipe Lines. Reserves were estimated last February at 1,903,756 bbl. of proven developed oil and 3,303,844 bbl. undeveloped, plus 62.7 billion cu. ft. of proven developed gas and 127.23 billion cu. ft. undeveloped.

There are still about $300,000 of unsecured accounts payable outstanding and a large capital investment will be required to place the undeveloped reserves on a revenue-producing basis, reports Mr. Cromwell. All of the company's 5 million authorized shares are issued.

Sales of gas and oil totaled $453,624 during 1956, while other income amounted to $95,532. Net loss for the year was $587,951 after depreciation, depletion and amortization of $275,953, administration expense of $259,046 and production expenses of $174,508.

Working capital position at the close of 1956 showed an excess of $175,084 of current liabilities over current assets.

Great Plains

During the first six months of 1957 **Great Plains Development Co. of Canada** participated in or contributed to the drilling of 14 wells in Alberta and four in Saskatchewan. Of these, five field wells at Harmattan-Elkton were successfully completed as oil producers, but 11 wildcat or step-out ventures were abandoned and one was still drilling. This later proved to be a dry hole also.

For the remainder of this year the company plans participation in one exploratory and one step-out well, and is considering two additional areas. Evaluation and negotiation for drilling wells on several other prospects are being continued.

Varying interests are held in 243 oil and 19 gas wells, eight suspended wells and one oil and gas producer in Alberta, and three oilers in Manitoba. Company stake in all these is equal to ownership of about 74 net oil and 7.4 net gas wells. Acreage position covers 369,848 net out of 916,563 gross acres in the three prairie provinces.

Waterflood operations are planned for company wells in the Joffre oil field and are under way at Pembina. At Joffre unitization of the field is proposed, under which Great Plains would exchange its interest in 27 net oil producers for an interest in production from about 40% of the pool. The Pembina flood now embraces an area containing 140 company-interest wells, and further expansion of the program is planned. Unitization of the Elkton oil and gas reservoir is also under study.

Net oil production totaled 529,035 bbls. for the first half of 1957 compared with 1,239,807 bbls. for all of 1956. Working capital on June 30, 1957, was $1,775,786.

Net proven reserves were estimated at the close of last year at 7.63 million bbls. of oil, 1.4 million bbls. of natural gas liquids and 64.7 billion cu. ft. of gas.

Production revenue for 1956 totaled $3,188,972 compared with $1,864,112 the year previous.

Net profit was $605,995 after write-offs aggregating $1,390,431. There are 957,842 shares issued out of 1.5 million authorized, and $7,654,500 redeemable 4% notes outstanding.

General Petroleum

General Petroleums of Canada derives revenue from its interest in 122 crude oil and eight gas wells and through ownership of 20 well-drilling rigs. Company interest in the producers is equivalent to 100% of 29.5 net oil wells and .86 net gassers.

Acreage holdings, chiefly in Alberta, Saskatchewan and Northwest Territories, totaled 4,749,947 gross acres at March 31, 1957, or 131,862 acres net to the company.

Footage drilled by company rigs during the fiscal year aggregated 1,215,081 ft. for 220 contracts completed.

General participated in drilling four exploratory wells, of which two were oil producers and the others were dry. Exploration activities were held to a minimum due to the company's use of its resources primarily in acquiring drilling equipment.

A potash permit covering 34,720 acres in Saskatchewan has been converted into a sub-surface prospecting permit and an experimental brine mining installation is planned.

Net share of oil reserves is estimated at 2.14 million bbls. after royalties, and reserves of gas are placed at 7.66 billion cu. ft.

Investments include approximately 29% of the issued stock of **New Superior Oils of Canada** and 121,202 shares of **Altex Oils** — affiliated companies. In addition a 20% interest is held in **Edmonton Pipe Line Co.** plus small shareholdings in **Trans-Canada Pipe Lines** and **Alberta Gas Trunk Line.**

Gross consolidated revenue for

(Continued on page 85)

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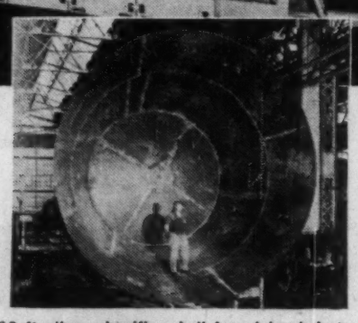

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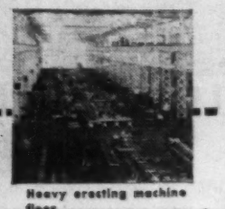

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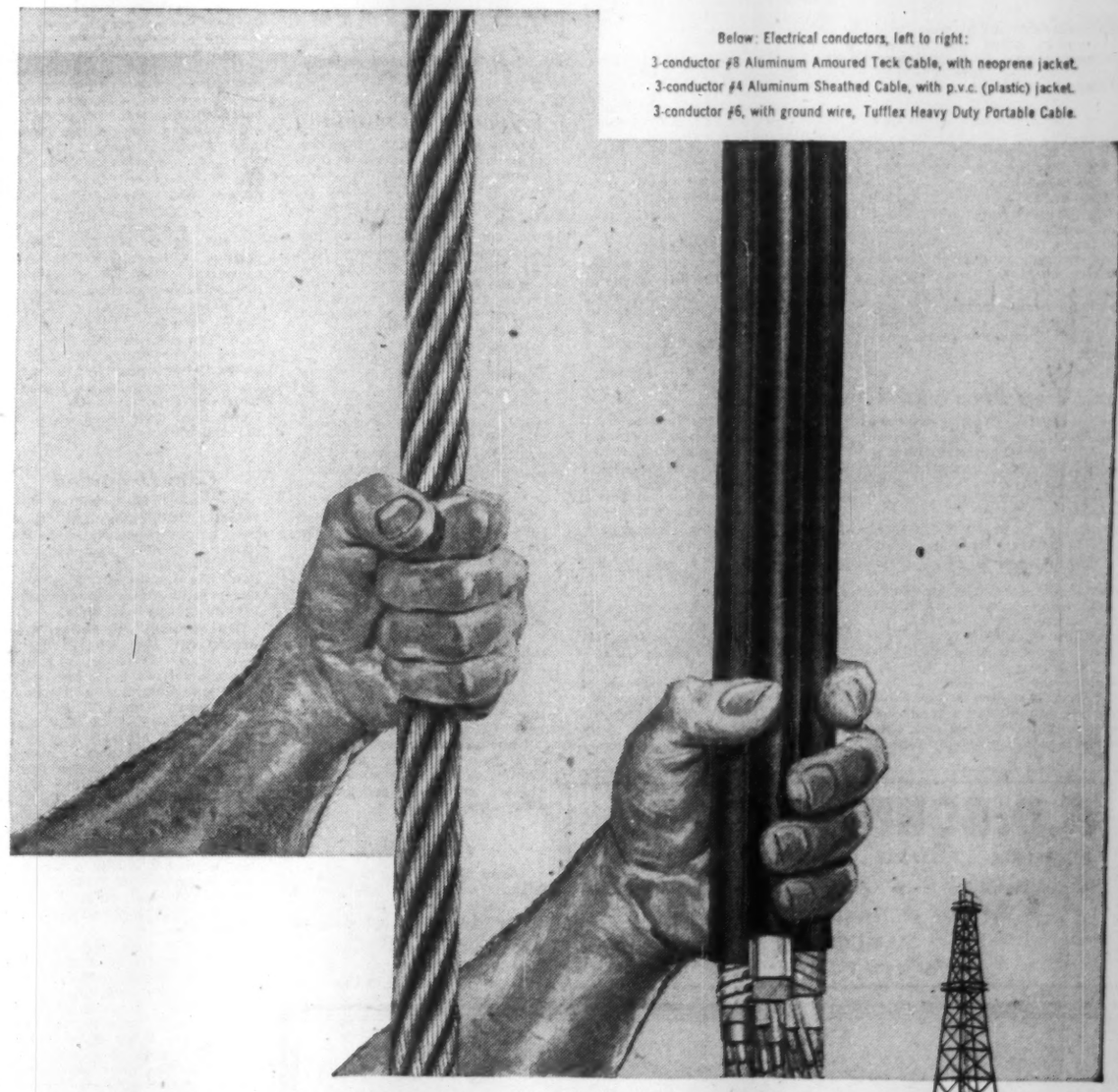

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AERIAL VIEW of Imperial Oil's expanding refinery works at Edmonton.

Companies

(CONTINUED FROM P. 84)

the year ended Mar. 31, 1957, amounted to $8,355,033, while net income before taxes and write-offs was $1,922,622. Net profit of $531,479 included a profit of $145,832 on the sale of investments.

Authorized capital is comprised of one million class A and one million ordinary shares. Of these, 728,512 class A and 400,000 ordinary shares are issued. Dividends at the rate of 20 cents per share per annum have been paid on each class since 1951.

Excelsior Refineries

Excelsior Refineries Ltd., Edmonton, owns and operates a 4,000 b/d crude oil refinery at Lloydminster, Alta., and owns or has a share in producing wells in the general area.

Company acquired **North Star Fuel & Ice Co.** of Flin Flon, Man. as the first step in a $2 million expansion program in northern Manitoba. This program will include construction of a $1.5 million oil refinery at The Pas.

The refinery will produce a full line of petroleum products for retail outlets and bulk stations now being organized throughout northern Manitoba. The North Star Fuel & Ice Co. established for 28 years, now will be known as the **Excelsior Fuel & Ice Co.**

An Edmonton syndicate headed by H. O. Patriquin and F. I. Batcheller has bought all the shares of Excelsior previously held by **Richwell Petroleums Ltd.**, Toronto. This will keep control of the company's affairs in the hands of the present management of Excelsior.

Net profit of $34,042 for 1956 equal to 1c a share, down from a profit of $71,012 or 2c a share in 1955.

Refinery processed 18,650,000 gal. of crude oil in 1956 (18.5 million in 1955). Company in 1956 sold its 750,000 shares of **X-L Refineries Ltd.**, Dawson Creek, B.C. to **Pacific Petroleums** in exchange for 80,000 Pacific Pete shares. The sale included X-L's service stations in the Dawson Creek area. Company sold 20,000 of the Pacific Pete shares for $410,000, $90,000 above their book value on Excelsior's balance sheet.

Outstanding capitalization at last report consisted of $1,908,750, 5% sinking fund debentures due 1965, and 4 million shares of which 3,334,688 were issued.

Home Oil

A major light-oil discovery was made by **Home Oil Co. Ltd.** and its associates earlier this year in wildcat territory about 115 miles northwest of Edmonton.

Up to 100 ft. of porosity was encountered in the same Devonian formation at two wells 25 miles apart in the Virginia Hills and Swan Hills areas.

One follow-up venture between the two wells found 146 ft. of continuous pay zone but another was dry.

A program of evaluation and development is being carried on by the company's group on two of the three blocks under their control.

The group has 33 1/3% interest in 92,160 acres at Virginia Hills, 50% in 92,160 acres at Swan Hills to the northeast, and one-third in 163,000 acres further northeast in the Grizzly Mountain area. Home's share of the group interest is 62½%.

During the first 10 months of the current year Home drilled or shared in the drilling of 28 wells, including 13 exploratory ventures.

Of these, 15 resulted in oil producers and two struck gas. Four wildcat and three field wells are under way.

Another important step recently taken by Home was the acquisition of 189,227 common shares of **Trans-Canada Pipe Lines Ltd.** from **Tennessee Gas Transmission Co.**

This makes Home the largest single shareholder in Trans-Canada with a total of 702,427 shares, or approximately 12% of the issued stock.

Home also acquired from Tennessee the right to purchase convertible debentures equal to a further 79,333 common shares and, if called upon by Trans-Canada, convertible debentures equal to an additional 158,666 shares.

Company also has participating or royalty interests in more than 400 producing oil wells and in 14 producing and 35 capped gas wells, equivalent to ownership of nearly 250 net oil and 19 net gas wells.

Extensive undeveloped acreage is held, chiefly in Alberta and Saskatchewan. A wholly-owned subsidiary owns and operates a 65-mile crude oil pipe line from the Sundre-Westward Ho-Harmattan fields to Calgary.

Reserves were estimated at the beginning of this year at 53,485,000 bbls. of oil, 7,778,000 bbls. of natural gas liquids and 359 billion cu. ft. of gas.

These figures include proven developed, proven undeveloped and probable reserves, and may be substantially increased by a secondary recovery program planned for company wells at Turner Valley.

Total operating revenue for the nine months ended Sept. 30, 1957, amounted to $7,212,000, up from $6,190,000 for the like period of last year.

Funded debt includes $7.5 million 5% convertible subordinate debentures, $8.3 million 5½% secured notes and $6.5 million 5¾% convertible debentures.

Share capital comprises 4,343,873 class A cumulative and 3,656,127 class B shares, of which 1.5 million class A and 2,303,931 class B shares are issued. Company is also selling $2 million secured 20-year pipe line bonds, carrying a coupon rate of 6½% on the $1.1 million being offered in Canada and 6¼% on the $900,000 U.S. portion.

Jupiter

Jupiter Oils has a share in 192 oil and gas wells in Western Canada and the U.S., and in potential undeveloped acreage there and in Cuba. Majority of its income is derived from its 14% stake in 76 oil producers in Alberta's Joarcam field.

Landholdings include 1.6 million acres in Canada, 860 in Oklahoma, 3,000 in Louisiana, 15,000 in South Dakota, more than 25,000 in Texas and about 130,000 in Cuba. In addition, Jupiter is negotiating for a 385,000-acre concession in Peru adjacent to oil discoveries and is seeking concessions in Venezuela and other South American countries.

Recent development has been centred chiefly on the Texas holdings, where several oil and gas finds have been made. Reserves were placed late last year at 6,378,000 bbls. of oil and 119 billion cu. ft. of natural gas. These figures include only proven reserves, both drilled and undrilled, and have since been increased by further completions in Texas.

Consolidated production revenue for 1956 totaled $1,018,867, while cash flow before write-offs amounted to $454,167. Net profit for the year was $108,159. Working capital stood at $365,105 at the 1956 year end.

Capital includes $757,000 convertible 5% debentures due 1967, and 5 million shares. There are 3,049,133 shares issued. The debentures are convertible into 22 shares per $100 debenture until Dec. 31, 1957, after which the conversion privilege expires.

Kroy Oils

Present policy of **Kroy Oils Ltd.** is to farm out as much of its acreage as possible so that it may be exploited at a minimum cost to the company.

New President John A. Hext also reports that efforts are continuing to have the capital stock restored for trading on a recognized exchange.

Farmouts of 4,900 acres in the Bellshill Lake area and 120,000 acres at Provost, Alta., have resulted in a natural gas discovery.

Four more wells are to be drilled at no cost to Kroy. In the Quill Lake district of Saskatchewan the company will provide up to $50,000 toward a nine-well program to be undertaken on a permit of 35,000 acres, and the company and its associates will put down a wildcat venture in the Bindloss gas area of eastern Alberta.

Full costs of a well on 2,640 acres in Beckham County, Okla., will also be borne by Kroy.

Revenue is derived from an interest in 164 oil and 16 gas wells in Alberta, Oklahoma and Louisiana, including 76 oil producers in Alberta's Joarcam field.

Oil reserves were recently estimated at 3.86 million bbls. proven developed and 1.02 million proven undeveloped, while gas in the ground was placed at 9.62 billion cu. ft. proven developed and 51.8 billion proven undeveloped.

Most of the company's Canadian gas is contracted for sale to Trans-Canada Pipe Lines.

Gross consolidated income for the year ended Apr. 30, 1957, totaled $1,045,829. After deducting expenses, including depletion, depreciation and amortization of $595,347 and extraordinary expenses of $108,595, net loss was $263,192.

The extraordinary expenses were mainly due to the SEC hearing. Working capital at Apr. 30, 1957, was $82,411.

Authorized capital is six million shares, of which 4,475,000 are issued. There are also $1.3 million 5% Series A convertible debentures due 1967. These are convertible into 25 shares per $100 debenture.

Lakeland Gas

Lakeland Natural Gas Ltd., Toronto, has franchises to serve 19 municipalities in central Ontario in an area stretching from Port Hope to Cornwall, with a combined population of more than 100,000.

Company estimates that around $7.3 million will have to be spent in the next five years to bring gas to these markets. First year expenditures are expected to total $3.5 million.

A 20-year contract has been signed by company with **Trans-Canada Pipe Lines** for delivery of natural gas.

Contract calls for a gradual increase in deliveries from 3,470,000 cu. ft. daily in the first year to 7,219,000 cu. ft. daily in the second year; 9,007,000 cu. ft. in the third year; 11,390,000 in the fourth year and 12,219,000 cu. ft. daily in the fifth year and thereafter.

Installation crews have been working in Cornwall, Port Hope and Belleville and Gananoque. Installation program calls for systems in larger centres to be ready to turn on gas by the first of the year.

An interim supply of gas from Trans-Canada is expected to be ready then.

In July company sold $8.4 million in debentures and common stock.

Outstanding capitalization at October 1, 1957 consisted of $7 million 6% subordinated deben-

(Continued on page 86)

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CANADIAN UTILITIES, LIMITED

Companies

(CONTINUED FROM P. 85)

tures maturing July 15, 1962, and 1,387,068 common shares $1 par.

There were 700,000 shares attached to the $7 million debentures. Of them, 350,000 were detachable October 15 and remaining 350,000 (five per $100 debenture) are detachable by January 15, 1960 or earlier.

Merrill

Shareholders of **Merrill Petroleum** will meet Dec. 12 to consider merger of the company with **Pacific Petroleums Ltd.** Basis of the amalgamation would be the issuance to Merrill stockholders of one Pacific share for each two of Merrill held.

Merrill holds varying interests in 811 producing oil wells, which produced an average of 6,123 bls. per day net to the company last September for a total of 177,525 bbls. Most of the wells are in the Pembina field.

A wholly-owned subsidiary, **Cascade Drilling Co.** owns and operates 14 well-drilling rigs.

Landholdings at Dec. 31, 1956, totaled some 4.4 million gross acres equivalent to 100% of 1.5 million net acres.

Primary reserves are estimated at some 47 million bbls. of crude and 18 billion cu. ft. of proven gas and 46 billion cu. ft. semi-proven and probable.

Issued capital is 2,937,995 shares and there are outstanding $8 million 10-year non-callable first mortgage bonds which were sold early this year.

Warrants to purchase 240,000 shares at a current price of $15 per share would be continued following the merger and will represent the right to purchase half the number of Pacific shares at twice the price.

Medallion

Gross revenue of **Medallion Petroleums Ltd.** was reported at mid-year to be running at a rate of $1,080,000 annually, compared with $738,390 realized for the fiscal year ended Feb. 28, 1957.

Production was averaging about 1,035 bbls. of oil per day, a sharp increase over the 763 bbls. daily average for the fiscal period.

Early this year company reported an interest held in 64 oil and 22 gas wells, equivalent to 27 oil and 3.4 gas wells net to Medallion.

In addition, royalties were held in 62 oil producers and four gassers. Land position comprised a stake in 2,119,620 gross acres equal to 100% of 344,994 net acres.

Working capital was augmented to approximately $3 million last June through the sale of 600,000 treasury shares.

The drilling of development wells is being undertaken or considered on company lands at Midale, Hackett and Carnduff, Sask., and in the Keystone field of Alberta. Farmouts of company-held blocks for exploration by others have recently been entered into in the House River, Vulcan, Champion, Herronton, Frank Lake and Napinka (Sask.) districts.

At Mazeppa, Alta., where an important gas condensate find was made late last year on Medallion lands, company and associates have varying interests in more than 23,000 acres of leases, drilling reservations, etc. Further work is planned.

Management of company affairs is now under the direction of San Juan Exploration Co. of Dallas, Texas, and Medallion, in turn, manages the business of several smaller organizations.

LOWERING-IN. This is typical rugged country met by pipeline builders in B. C.'s Peace River country.

Proven developed and undeveloped reserves were placed as at Feb., 1957, at 3,253,654 bbls. of oil and 67 billion cu. ft. of gas.

These have since been increased through participations, purchase of producing properties and exploration by others on farmout lands.

There are 3,446,895 shares issued out of a total authorization of 7 million, while long-term debt comprises $1,373,000 debentures bearing interest at 1% to 3% to 1962.

Midcon

Midcon Oil & Gas Ltd. is currently developing its gas holdings in southern Alberta and its natural gas reservation underlying Lake Erie off southwestern Ontario.

At Etzikom in Alberta the company has a 50% stake in 7 gassers and in leases on nearly 20,000 acres, as well as in a pipe line which transports the gas under contract to the city of Medicine Hat and the plant there of **Northwest Nitro-Chemicals.** Initial deliveries of gas commenced in October, 1956, and by last March had increased to 260 million cu. ft. per day. Midcon's share of reserves here is estimated at approximately 80 billion cu. ft.

In Lake Erie the company is carrying on a 5-well program on 14,000 acres of licenses of occupation adjoining producing property of **Consolidated West Petroleum.** The first well of the project was not completed due to weather conditions but the second rated an open flow of one million cu. ft. daily. Company also holds under farmout, licenses of equal size adjoining its holdings to the south.

Oil interests consist of a small share in 9 producers in the Stony Plain field and 50% of 4 wells at Skaro, both in Alberta. The Skaro wells are shut in because of water encroachment and a solution to this problem is being sought.

A wholly owned subsidiary, **Aqua-Land Explorations,** owns a drilling tower and has a substantial interest in another. The towers are used for drilling in Lake Erie.

Total income of $97,898 for the year ended Mar. 31, 1957, included production revenue of $37,060. Net profit was $15,311 compared with $14,636 for the 1956 year. Working capital on Mar. 31, 1957, was $244,765. There are 4.3 million shares issued out of 5 million authorized.

New Continental

New Continental Oil Co. of Canada holds varying participating interests in 75 oil and four gas wells in Alberta, Saskatchewan and Texas, plus royalties in 152 Alberta oil producers. Also has a share in 525,422 acres of leases and reservations in those areas.

In the Peace River district of British Columbia, a well drilled on a company permit by **Hudson's Bay Oil & Gas** and **Union Oil of California** made what could prove to be a significant oil strike, but work has been temporarily suspended.

Other recent development was done by the company on three quarter-sections in the Weyburn light-oil field of Saskatchewan. Oil producers were successfully brought in on two of the tracts to earn the company a 50% interest therein.

A wholly owned subsidiary has a major interest in 40 wells in Texas, which produced 117,696 bbls. of crude in the 1956-57 fiscal year following a deepening program. Production for the preceding fiscal year was only 43,346 bbls.

Canadian production totaled 311,710 bbls. during the year ended Mar. 31, 1957. Gross income of the parent company only amounted to $549,501 for the year, while net earnings before write-offs were $349,576. Net profit after such was $116,736. Working capital on that date was $147,130.

Authorized and issued capital is six million shares.

New Superior

New Superior Oils of Canada held interests at Mar. 31, 1957, in 133 oil and eight gas wells, equal to approximately 41 oil wells and one gas well net to the company.

Gross property holdings amounted to 432,698 acres in which Superior's net interest was 87,035 acres, located mainly in Alberta, Saskatchewan and Northwest Territories.

During the year ended Mar. 31, 1957, company largely restricted its activities to completing development of its 1,440 acres in the Pembina oil field, although a participation was taken in four wildcat ventures in other areas. Of these last, two resulted in oil producers and the others were abandoned. The cost of acquiring and developing the Pembina tract was financed by a bank loan of $3,394,000, which will be retired out of production. In June of this year the Pembina wells were producing 19,000 to 20,000 bbls. of oil per month, of which the company's share is 85%.

Net share of reserves after deducting all royalties was estimated last march 31 to be 4,381,000 bbls. proven plus a further 3,680,000 bbls. considered probable. Net reserves of natural gas were 16.23 billion cu. ft. A contract for the sale of gas from the Nevis field has been signed with **Trans-Canada Pipe Lines,** with deliveries expected to commence by 1959.

Investments include 15,000 class A shares of **General Petroleums of Canada** and 262,500 of **Altex Oils,** both of which are associated with Superior, and 20% share interest in **Edmonton Pipe Line Co.,** engaged in transporting crude oil from the Joarcam field to Edmonton.

Net production income for the 1956-57 fiscal year amounted to $853,207, while net earnings before write-offs of $720,466 were $568,731. Working capital position showed an excess of $3,206,180 of current liabilities over current assets, reflecting the bank loans.

Authorized capital is 4 million shares of which 1,519,417 shares are issued, and there are $1,244,981 of 5% debentures outstanding, due 1964.

New British

New British Dominion Oil Co. intends to change its corporate title to **Asamera Oil Corp.** and to explore oil and gas rights in the Republic of Indonesia.

A total of 4 million shares will be issued for a 49% interest in 2.2 million acres in Sumatra, Borneo and Java, and Empire Resources Corp. and Shearson, Hammill & Co. of New York have agreed to make the necessary arrangements for New British to exploit the Palembang block in Sumatra. For this each would receive options on 400,000 company shares at $2.70 per share.

In order to finance this and other projects in mind, New British recently tripled its authorized share capital to 12 million shares, sold treasury stock for $300,000, sold 50% of its equity holdings in **Northwest Nitro-Chemicals** to **Commercial Solvents Corp.** for $1.1 million, and disposed of its $750,000 holdings of bonds of **South Alberta Pipe Lines.**

Sales of gas from the company's jointly owned reserves in the Etzikom field of southern Alberta have increased steadily and at mid-year were averaging about 300 million cu. ft. per day. The gas is supplied via the 50%-owned pipe line to the plant of Northwest Chemicals and the city of Medicine Hat.

Production revenue of $144,420 for the year ended Mar. 31, 1957, reflected only revenue from initial operations of the gas pipe line, and is expected to be higher in the current fiscal period. Net loss for the year was $309,380. Additional income is also expected this year from sales of gas from the West Pakowki field in which a 50% interest is also held.

New Chamberlain

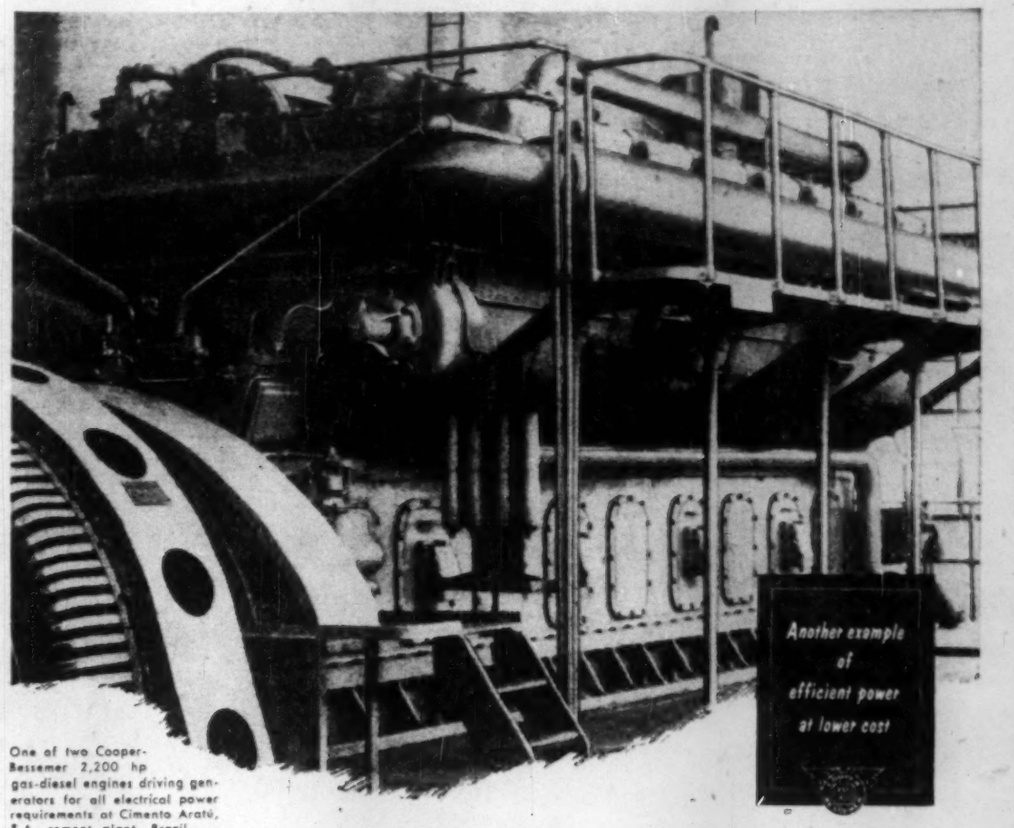
Proceeds from additional financing which netted the treasury of **New Chamberlain Petroleums** $1.35 million was used in a number of ways.

New acreage was acquired and commitments met on lands already held; capital stock of **Highwood-Sarcee Oils** and **Vanalta Ltd.** was purchased to give the company 43% and 53%, respectively, of their issued shares, and a well-drilling program was started in southeastern Saskatchewan and in the Bindloss gas area.

In the latter field of Alberta, where New Chamberlain has a stake in nearly 200,000 acres, seven gas wells were placed on a production basis and a gathering line was constructed to deliver the gas to **Trans-Canada Pipe Lines.** Long-term contracts are held for sale of the gas to Trans-Canada at an initial price of 10c per mcf, increasing to 15¾c over a 22-year period. Additional contracts have also been offered by Trans-Canada at higher prices. First deliveries of natural gas were made on July 23 of this year.

Company has interests in near-

(Continued on page 87)



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Companies

(CONTINUED FROM P. 86)

ly 1.2 million gross acres for a net holding of 177,335 acres, plus royalty and carried interests in 240,000 acres. These are located in British Columbia, Alberta and Saskatchewan. Various shares are also held in 19 successful gas and 17 oil wells.

Reserves of natural gas were estimated at the close of last year at 71 billion cu. ft. proven and semiproven, 46 billion probable, and 80 billion additional probable.

Total income for the year ended Apr. 30, 1957, was only $108 but, commencing with the current fiscal year, revenues are expected to be substantial as a result of the natural gas sales and from oil production from southeastern Saskatchewan. Working capital at Apr. 30, 1957, was $97,174, and this was recently augmented by a further $460,000 through the sale of treasury stock. There are now 2.9 million shares outstanding of an authorized 4 million.

North Star

North Star Oil, Winnipeg, is engaged in the refining and marketing of petroleum products. Its marketing area includes all of Alberta, Saskatchewan and Manitoba, the northwestern portion of Ontario and northeastern B.C.

With start-up of a second refinery, at Grande Prairie, in May, 1957, a new marketing area was opened; extending east to Lesser Slave Lake, north to Great Slave Lake in the North West Territories, north west up to the Alaska highway to Watson Lake in the Yukon and southwest to Prince George, B.C.

Net profit of $1,447,285 for 1956 was 37.5% higher than 1955's $1,053,349. Earnings per common share in 1956 were $1.51 ($1.75 in 1955).

Tenders have been called for construction of a $1.5 million 2,700 b/d catalytic reforming unit at the 12,000 b/d St. Boniface, Man., refinery.

Sales for first nine months in 1957 were up 15% above same period in 1956. Profits were sharply higher at $1,549,827 ($686,002 last year). Third quarter earnings were below expectations, reflecting production of the Grande Prairie refinery, higher costs and greater depreciation. The Grande Prairie refinery showed its first profit in September this year.

Capacity of St. Boniface refinery is crude capacity 12,800 b/d, catalytic reforming 5,200 b/d, catalytic polymerization 450 b/d.

Company's building program this year included 12 additional service stations. On completion, retail distribution will be carried on through 190 company-owned stations and 900 dealer-owned outlets.

Outstanding capitalization at May 15, 1957 consisted of $22,250,000 funded debt, 120,000 cumulative redeemable preferred shares $2.50, $50 par, 30,020 class A shares and 851,500 common shares. There were also 489,980 class A shares reserved for issuance upon exercise of stock purchase warrants.

North Canadian

Revenues of **North Canadian Oils** are expected to increase rapidly with the completion earlier this year of two major projects in which it had a hand.

A pulp mill at Hinton, Alta., in which the company and **St. Regis Paper Co.** each have a 50% stake, commenced operations last April, and its entire output has been sold under contracts of from one to five years.

The other project is a 136-mile natural gas pipe line from Wabamun to Hinton, owned by North Canadian. The line supplies gas to the pulp mill and to communities along its route.

Future plans include expansion of the pulp plant, possible extension of the pipe line for 47 miles to the town of Jasper, and the initiation of a program of drilling on proven acreage in Alberta and southeastern Saskatchewan.

Net income from pipe line operations, before depreciation, is expected to exceed $1 million annually on a throughput of 10 million cu. ft. daily, and this throughput should be exceeded before the close of this year. If the pulp mill is extended, greater revenue would also accrue to the company from increased output.

Company's share of production from its interests in 26 oil wells amounted to 100,000 bbls. for a value of $226,000 in the fiscal year ended Mar. 31, 1957. Net loss was $388,214, after deducting $370,167 interest charges and amortization on debt created to finance the mill and pipe line. The current fiscal period will see the first substantial direct flow of earnings from these ventures.

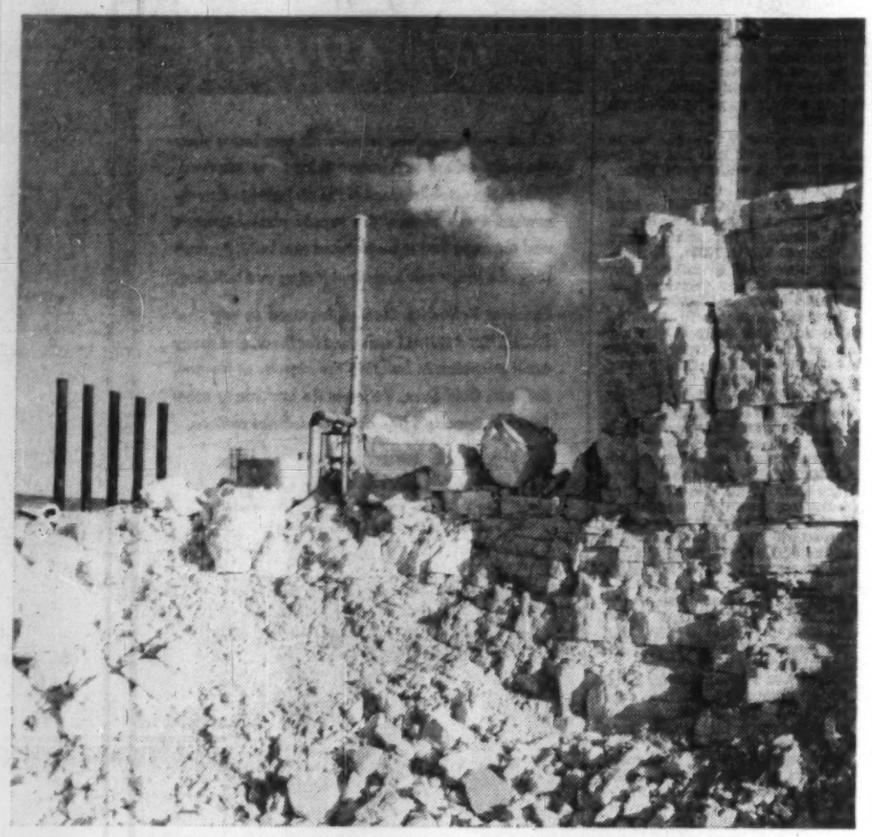
Funded debt at Mar. 31, 1957, comprised $3.5 million 5% general mortgage bonds and $4 million first mortgage 4½% bonds, all due in 1975. Share capital consisted of 70,000 authorized and issued 5½% preferred shares, $50 par value, and 7.5 million authorized common shares, of which 5,089,936 are issued.

Okalta

Okalta Oils and its subsidiaries held interests at the end of 1956 in 148 oil and 18 gas wells, equivalent to ownership of 68.6 net wells. During the first half of 1957 the company's group participated in the drilling of a further 18 wells, of which 10 encountered oil or gas.

Landholdings of the group totaled 1,241,916 acres in Alberta and Saskatchewan at mid-1957, in which the group's interest was equivalent to 374,189 net acres.

Exploration and development is being carried out by the associated companies at Normandville and Pouce Coupe in northwestern Alberta, at Sedalia in that province and in the light-oil areas of southeastern Saskatchewan. In addition, the company is exploring a farmout of 108,000 acres in the gas area along the north shore of the St. Lawrence River northeast of Montreal.



SULPHUR PLANT owned by Shell Oil at Jumping Pound, Alberta.

Oil reserves before deducting royalties were estimated as at June 30, 1957, at 11,134,000 bbls., including 4,550,000 bbls. proven developed and 6,584,000 bbls. probable additional from both primary and secondary recovery.

Reserves of natural gas were estimated at 96 billion cu. ft., of which 37.25 billion were proven, 42.5 billion were probable and 16.25 billion were considered to be possible. Company expects to receive its first revenue from gas sales late this year following completion of the **Westcoast Transmission** line to the Pouce Coupe field.

Net production of the company's group totaled 211,695 bbls. of oil for the first six months of this year, as against 177,453 bbls. for the corresponding period of 1956. Net income after royalty and lifting costs for the 1957 six months aggregated $460,000, an increase of 22% over the first half of last year. Okalta expects that commencing about 1960 its revenue from oil and gas sales should be at least $500,000 annually.

The company is currently taking steps to acquire all the assets and undertakings of two partly owned subsidiaries, **New Concord Development Corp.** and **Consolidated Cordasun Oils,** through an exchange of stock on the basis of one share of Okalta for each four New Concord shares, or one Okalta share for each 10 of Cordasun. These exchanges would involve the issuance of 502,076 shares of Okalta.

Without giving effect to the above proposed issue of stock, there were 3,569,731 shares issued out of 7 million authorized.

Pacific Petroleums

Pacific Petroleums is continuing to diversify its activities with a view to becoming fully integrated.

Latest move is to offer to acquire all assets of **Merrill Petroleums Ltd.** through a share exchange on the basis of one Pacific share for each two of Merrill. Shareholders of the latter will meet Dec. 12 to consider the offer. Acquisition of Merrill would give Pacific an additional 47 million bbls. of oil, mainly in the Pembina field, and production which averaged 6,123 bbls. per day in September of this year.

Pacific also has large natural gas reserves in the Peace River area of Alberta and B.C., an interest in 96 oil producers at Redwater, 22½% equity share in **Westcoast Transmission Co.** which is transporting natural gas from Peace River to the west coast and, jointly with **Phillips Petroleum Corp.,** owns a 2,000-bbls. refinery at Dawson Creek and is constructing a new $11 million refinery near Fort St. John, B.C. This plant will extract and refine by-products from natural gas.

Most of Pacific's gas reserves are in the Fort St. John field, where open flow potentials as high as 137 million cu. ft. daily have been recorded. Light oil has also been encountered in two horizons in the field, as well as at Charley Lake and Boundary Lake nearby.

Landholdings at Feb. 28, 1957, totaled some 7.4 million gross acres equivalent to 2.9 million acres net to the company. These are chiefly in Alberta and B.C. and are to a great extent being explored at no cost to the company by **Imperial Oil** and **Sinclair Canada Co.** Pacific and its associates also hold 100,000 acres in Venezuela on which drilling is planned and are making application for oil and gas rights in Switzerland and southern France.

Net income from production and service operations amounted to $1,037,737 for the year ended Feb. 28, 1957. Net cash flow before write-offs was $277,687, while net loss after allowing for these was $638,984. Working capital at the close of last February was $5,435,564.

Long-term debt at that time consisted of $15 million 5% subordinate debentures due 1977, and there were $5 million in bank loans outstanding plus a $1.6 million office building mortgage. Authorized capital is 20 million shares of which some 4.7 million are issued. A further 1,603,998 shares would be required for the proposed merger.

Provo Gas

Provo Gas Producers Ltd. has been engaged lately in preparing the Provost gas field in Alberta for production, and in construction of a gas processing plant there. Completion was scheduled for October of this year.

Company holdings of 188,459 acres in the field represent about 79% of this 600 billion cu. ft. field. The gas will be sold to Trans-Canada Pipe Lines under long-term contract. Company's share of costs of placing the field on production, estimated at about $1.7 million, was raised through bank loans.

In southeastern Saskatchewan a company, Steelman Gas Ltd., owned jointly by Provo and **Dome Exploration (Western) Ltd.,** has received approval from the Saskatchewan Government to erect facilities for processing flare gas from the Steelman oil field. The project will involve an expenditure of approximately $14 million for gathering lines and a plant capable of processing up to 45 million cu. ft. of raw gas daily. Financing arrangements are being made and contracts signed for the gas.

The heavy-gravity oil discovery made last year at Hughenden, Alta., by the company and Western Naco Petroleums is still being developed. Of 14 wells drilled to August 30, 10 were completed as oil producers and the others were dry. The reservoir is being evaluated and studies are being made to determine the best methods of production.

Working capital position at June 30 of this year showed a deficit of $141,431 reflecting the drawing down of funds under the bank loan arranged for the Provost program. The calculation did not include the company's $250,000 investment in debentures and common stock of Trans-Canada Pipe Lines.

The only income received by Provo during 1956 was $15,826 interest earned on investments and deposits. Authorized capital is 7.5 million shares; of 6,488,238 issued, 2.4 million are owned by Dome Exploration (Western), which manages the company's affairs.

Permo Gas

Permo Gas & Oil holds working interests of 22½% and 25% in more than 250,000 acres of leases and permits in and around the Fort St. John gas and oil field of northeastern British Columbia. The lands were purchased last year for $6.15 million cash.

Under agreement **Pacific Petroleums** was named operator of the field and is carrying out a development program there. The natural gas potential of the field is considered to be adequate to meet initial demands of the gas pipe line to the west coast, which began operations last summer. Open flows of the wells ranged as high as 137 million cu. ft. per day. Of the 200 million cu. ft. per day called for under the long-term contract with Westcoast Transmission, approximately 60% will be drawn from the Fort St. John field.

Emphasis is now being placed on evaluating the potentialities of the area for producing light oil, which has been found in two formations at wells in the eastern and central portions of the field.

A one-third interest was also acquired in a 50,000-acre permit in the Athabasca Tar Sands of northern Alberta, and a reservation of 200,000 acres was obtained in the Fort Vermilion district.

Financing was effected last year through the sale of 4 million 4½% convertible redeemable preference shares of $2 par value, at $2 per share. A further 299,743 preference shares have since been sold at the same price, plus 297,500 out of 595,000 authorized common shares. The preference stock is convertible between Sept. 1, 1958 and Sept. 1, 1961, into common on a share-for-share basis. Company has no funded debt.

Sapphire

Sapphire Petroleums Ltd. holds interests in oil and gas production, in undeveloped prospective oil and gas and mining properties, and has a 50% share in an industrial park development under construction in Florida.

In Alberta the company has varying royalties on lands in the neighborhood of the important light-oil find at Innisfail, including 560 acres within a mile of the discovery well. A core drilling program on 23,000 acres in the Athabasca Tar Sands area in which Sapphire has 6⅞% interest has revealed bitumen reserves estimated at 425 million bbl., company reports.

Nine gas wells have been completed on a 201,600-acre reservation in northeastern British Columbia in which a 2½% carried interest is held. The gathering system of **Westcoast Transmission** runs through the tract.

Waterflooding for secondary recovery of oil is planned for the company's wells in the Clareton area, Weston County, Wyoming. Production here has dropped considerably due to high initial potentials of the wells and a rapid decline in pressure.

At the industrial park in North Miami, Florida, a road construction program is well under way and the third plant building is being completed. A total of 140 plants are eventually planned to be erected in the park.

A substantial block of stock of **Hoyle Mining Co. Ltd.** and **Consolidated Sudbury Basin Mines Ltd.,** acquired late in 1955 along with sundry other assets for $4 million, were sold at a loss recently. Purpose of the sale was to insure payment of commitments such as debenture interest and to maintain a liquid cash position. Altogether between June 1 and Sept. 30, 1957, securities having a market value of $2,146,906 at May 31 of this year were sold for $1,319,156.

Gross consolidated revenue for the year ended May 31, 1957, amounted to $713,076. After expenses and write-offs, net loss for the year was $713,704 compared with a loss of $462,843 the year previous. Working capital position on that date showed an excess of $1,308,633 of current liabilities over current assets.

Share capital consists of 10 million shares, of which 7,263,859 are issued. Funded debt at May 31, 1957, was $870,895 convertible 5% debentures due 1962 and $4.4 million convertible 5% debentures due 1965.

Security Freehold

Security Freehold Petroleums Ltd. derives revenue from leasing oil and gas rights on its owned lands, from royalties and participations in wells completed on the lands and from participations in drilling ventures on partly owned acreage.

Mineral rights owned by the company total 286,015 acres, of which 96,984 acres are in southwestern Alberta, 100,249 are in southeastern Saskatchewan and 88,782 are in Manitoba. At June 30, 1957, 33,261 acres were leased to other operators and 24,416 were under option to lease. In addition to the above, the company holds participating rights in approximately 121,000 acres scattered across Alberta and Manitoba.

Company has 25% participating interest in an important oil discovery made this year on 4,997 acres at Innisfail, Alta. Light oil was encountered in 148 ft. of pay zone in the Devonian formation and evaluation of the tract is proceeding. Another important source of oil production discovered recently is in the Roughbark-Weyburn area of Sask., where the company has 15% royalty plus 25% working interest in several leases. Altogether the company has interests in about 50 oil wells.

Total income for the year ended June 30, 1957, was $398,947, of which $363,944 was derived from leases, royalties and oil sales. Net profit for the year was $235,843. Working capital at mid-year was $1,152,262, which President E. A. Nanton states should enable the company to maintain its position in the development of the oil finds in which it shared and to continue to participate in joint exploration and development of potential oil and gas areas as deemed advisable.

There are 1.9 million shares issued out of 2.5 million authorized.

(Continued on page 88)

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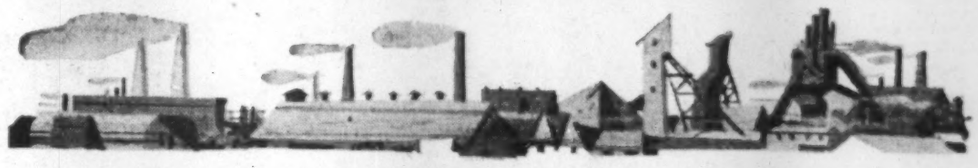

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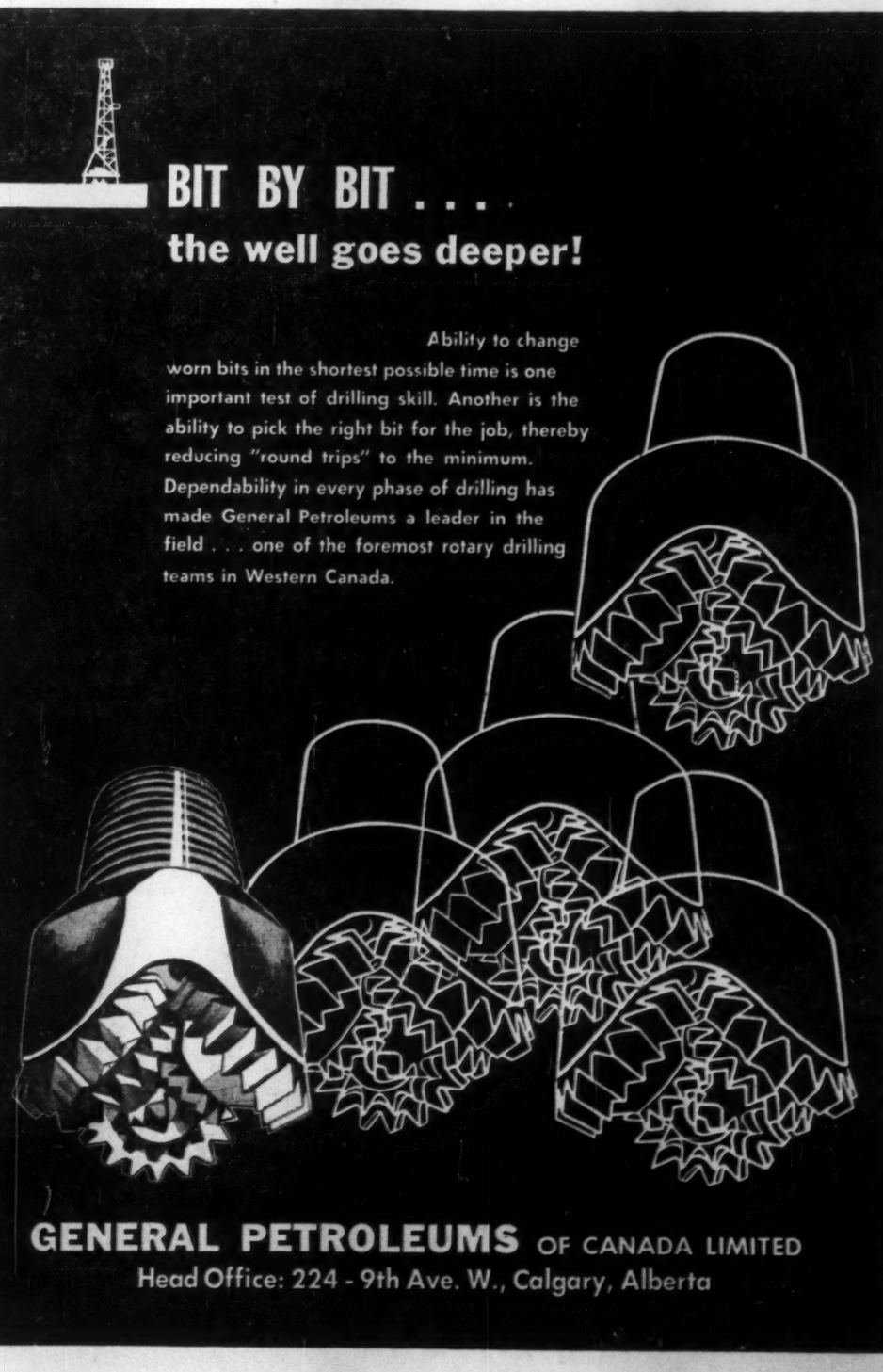


GENERAL PETROLEUMS OF CANADA LIMITED
Head Office: 224 - 9th Ave. W., Calgary, Alberta

Companies

(CONTINUED FROM P. 87)

Trans Empire

Trans Empire Oils Ltd. recently acquired all the assets of **West Canadian Petroleums Ltd.** through an exchange of stock on the basis of 3½ Trans Empire shares for each 5 of West Canadian. Shareholders of the latter company, a private organization owned by European interests, now control Trans Empire, which is changing its name to **West Canadian Oil & Gas Ltd.**

The combined companies own interests in 144 oil producers and 15 gas wells in Alberta, Saskatchewan and Manitoba, equal to ownership of 87.5 net oil and 9.2 net gas wells, a 50% interest in a contract drilling firm owning two rigs, and have a land spread covering approximately 2.7 million gross or 735,000 net acres.

Reserves of the successor company are estimated at about 14 million bbls. of crude and 21.3 billion cu. ft. of natural gas.

Daily production averaged 2,500 bbls. during the first seven months of the current year for a total of 531,307 bbls. Income for the period aggregated $1,443,092 including revenue of $1,345,279 from oil and gas sales. Net earnings before depreciation and depletion were $851,841. Working capital at July 31, 1957, amounted to $1,424,349.

Gas sale contracts have been completed with **Trans-Canada Pipe Lines** for the company's reserves at Homeglen, Rimbey and Cessford, and with Ajax Petroleums for gas at St. Albert and Big Lake, Alta. Company and others are also attempting to prove up substantial reserves near Crossfield, north of Calgary, and it has gas in the ground at Harmattan-Elkton.

Work is contemplated or under way on holdings in northeastern British Columbia, at Weyburn and Halbrite in southeastern Saskatchewan, at Joffre, Innisfail and Wanham in Alberta and in the North Virden field, Man.

There were as of last August $771,500 Series A and $702,500 Series B notes outstanding, due 1966 and 1967, respectively. Both series are convertible until the end of this year into 18 shares per $100 note. Share capital comprises 15 million shares, and there are 6,954,257 shares issued.

Triad Oil

Triad Oil Co. Ltd. is now controlled by the British Petroleum Group of London, England, which, since 1953, has invested nearly $36 million in the company.

A long-term exploration program planned by Triad may take several years to evaluate. Drilling rigs are busy in northeastern British Columbia and in the Alberta foothills and plains. In addition development of proven and semiproven regions is being furthered.

In B.C.'s Peace River area preliminary surveys are under way on about 1.1 million acres of permit lands acquired a year or so ago. In Alberta the company and three others formed the Central Foothills Agreement to explore 1.3 million acres. Triad and **British American Oil Co.** will jointly assume the expense of surveys and exploratory drilling for a 50% interest in the lands and any production therefrom.

Geological surveys have also been carried out on nearly 800,000 acres of permit lands owned by the company in Northwest Territories, adjoining the Alberta and British Columbia boundaries.

Altogether the company held interests as at Nov. 30, 1956, in 73 oil wells equivalent to 28 wells net, plus a share in 20 gassers, most of which are capped awaiting a market. Acreage position included 6.4 million gross acres or 4.6 million net to the company.

Net proven reserves of oil in the Redwater, Elkton-Harmattan and Sturgeon Lake fields of Alberta were estimated late last year at 18,239,000 bbls., while proven gas reserves at Elkton-Harmattan were indicated to be 40.5 billion cu. ft.

Production of oil totaled 579,353 bbls. during 1956, while daily production was reported in April of this year to be at a rate of 2,000 bbls.

Revenue from production aggregated $1,418,173 for the year ended Nov. 30, 1956, and profit before effecting write-offs was $175,619. Such allowances totaled $2,837,027, of which $1,946,026 was expended on exploration. Working capital at that date was $29,976,528.

Long-term debt at the close of November, 1956, comprised $30 million convertible 4¾% notes due 1971. They are currently convertible into common stock at $11.11 per share. Authorized capital is 17.5 million shares, and 11,907,504 shares are issued. A further 1.8 million shares have been subscribed for by the British Petroleum Group but have not yet been taken up.

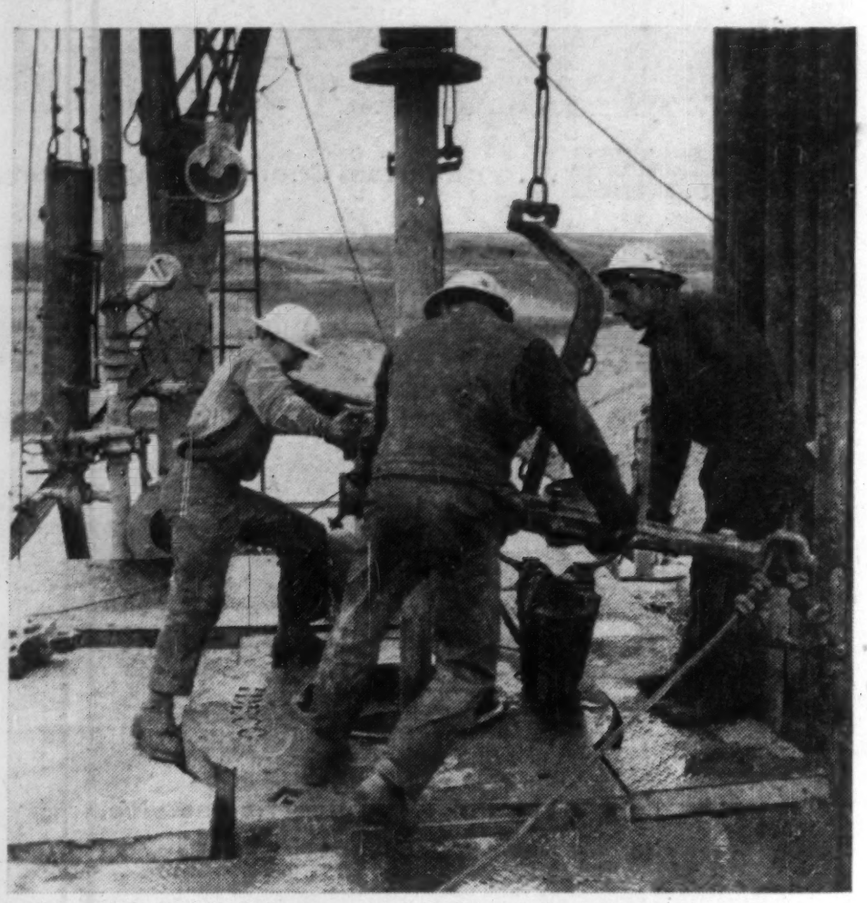
Scurry-Rainbow

Earlier this year **Scurry-Rainbow Oil** acquired all the assets of **Canadian Pipelines & Petroleums** through an exchange of stock on a share-for-share basis.

Following the merger the company controlled a large and diversified land spread covering more than 9 million gross or 3 million net acres of reservations, leases, royalties and mineral rights in Western Canada. More than one million net acres are located in the light-gravity oil area of southeastern Saskatchewan.

Oil reserves of the combined companies were placed at 5.9 million bbls., and production was running last September at approximately 2,500 bbls. per day from a stake in more than 400 oil wells.

Natural gas interests include a share in 34 capped wells, including several in the Sunrise area of British Columbia which are expected to find a market from the recent completion of the gas pipe line to the west coast of Canada and United States. Further drilling is also planned on one million acres in northwestern Alberta on which there are eight gassers. Company has a small carried interest here.



ROUGHNECKS WORKING at Imperial Oil's Hummingbird test near the Sask.-Montana border.

In northeastern British Columbia, Scurry has varying interests in over 2.6 million acres including 5% working interest in 98,000 acres four miles south of the Boundary Lake oil area. The oil pool has been extended well into company lands and a two-rig program of delineation is under way.

Saskatchewan properties are to be operated in future by a new company to be owned jointly by Scurry and **U. S. Smelting Refining and Mining.** Scurry and its subsidiaries would retain all of their royalty income and royalty interests in these holdings. A substantial stake in over 1.6 million acres of permits in Northwest Territories has been obtained, and preliminary reports indicate this to be a promising area, company states.

Sales for the year ended Sept. 30, 1956, prior to acquisition of Canadian Pipelines, amounted to $1,091,705. Net profit was $315,967 after providing for depreciation, depletion and amortization of $441,142. Working capital on that date was $75,428.

Authorized capital is 25 million shares. Of 13,343,436 shares issued, approximately 8 million were issued under the merger.

Western Decalta

Western Decalta Petroleum Ltd. and its subsidiaries held, at the close of 1956, working or royalty interests in approximately 560 oil and gas wells, equivalent to 100% of about 73 net wells, in Western Canada and the U.S.

The associated companies also had a stake in 1,061,308 gross acres (349,443 net acres) of leases and reservations at mid-1957, chiefly in Alberta and northeastern B.C.

Participations are held, on a working or carried basis, in exploration and development programs currently under way or planned in the South Sturgeon Lake, Keystone, Rimbey and Whitelaw areas of Alberta, and in the light-oil area of southeastern Saskatchewan.

Earlier this year two British investment houses, **The Central Mining & Investment Corp. Ltd.** and **Selection Trust Ltd.**, invested $6,150,000 in the company, and may make further investments at a later date. The two companies purchased one million shares and $4.5 million 5% production loan debentures of Decalta. Of the debentures, $3 million are convertible into 1,150,000 shares; the remainder are not convertible.

Proven developed and probable undeveloped reserves of the company's group were estimated at Nov. 30, 1956, to be 11,969,500 bbl. of oil and 25 billion cu. ft. of gas.

Oil production totaled 416,942 bbl. for the first six months of the current year as compared with 724,951 bbl. for the year 1956. Net production revenue on a consolidated basis amounted to $1,273,542 for 1956. Net earnings were $559,638 before allowing for depreciation, depletion and amortization of $1,016,665. Working capital following completion of the financing this year amounted to $2,994,531.

Authorized share capital is 10 million shares, of which 4,219,494 are issued. In addition to the loan debentures, there are outstanding $934,000 of 5½% convertible notes due 1968 and $2,805,500 of 5½% notes due 1969.

United Oils

United Oils Ltd. holds a share in 67 oil and five gas wells in Alberta and in undeveloped acreage there and in Montana and North Dakota, and owns about 35.6% of the voting stock of Home Oil Co. Ltd.

Company is affiliated with Home in the important Virginia Hills - Swan Hills oil discoveries made earlier this year. Here two ventures about 25 miles apart encountered light-gravity crude in the same Devonian formation, with pay zones up to 100 ft. in thickness. Of two follow-up wells drilled between the finds, one was successful in finding 146 ft. of porosity but the other was dry. A program of continuous drilling is planned with five rigs.

United has approximately 4% interest in the Virginia Hills block of 92,160 acres and in 163,000 acres in the Grizzly Mountain area, and 6¼% in the 92,160 acres at Swan Hills.

Home Oil Co., in which United is the largest shareholder, has total reserves estimated at more than 60 million bbls. of liquids and 359 billion cu. ft. of gas, plus a 12% share interest in **Trans-Canada Pipe Lines Ltd.** United's investment in Home is carried at total cost of $6.5 million.

Net production of oil to United totaled 468,000 bbls. for 1956 as compared with only 53,000 bbls. for 1955. Gross revenue for 1956 was $1,158,369, but a net loss of $1,315,955 was recorded after writing off $1,016,167 against leases surrendered.

Working capital position at the close of last year showed an excess of $11,108,615 of current liabilities over current assets, caused by bank loans aggregating $11,442,419. These loans were obtained to finance the acquisition and development of the company's Pembina lands and are repayable out of production. There are 6,499,256 shares issued out of 10 million authorized.

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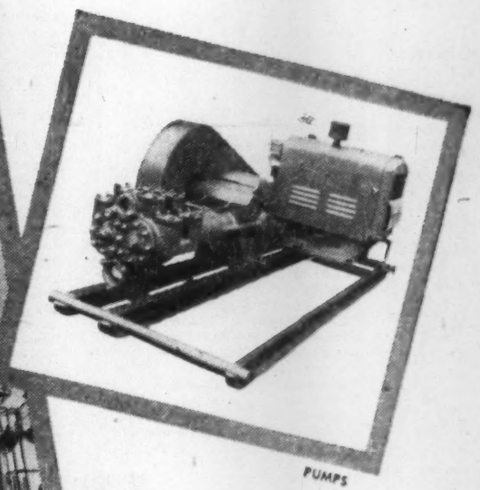

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Winnipeg Gas

Winnipeg & Central Gas Co. has an extensive main system in Winnipeg and suburbs, and is now serving 21,000 customers compared with 15,000 three years ago.

Until September this year, it supplied manufactured gas and propane. Since that time, it has been converting its system to natural gas supplied under a contract with **Trans-Canada Pipe Lines.** Company reports it is now able to serve 37% of the Greater Winnipeg area with natural gas.

Rates to be charged by the company for natural gas were set by the provincial public utility board in September this year.

Representatives of the City of Winnipeg and 11 of the suburbs passed a resolution in October, 1957, that some other company be allowed to supply them with natural gas. **Great Northern Gas Utilities Ltd.** and **Great Plains Gas Co.** have claimed they can supply gas at lower rates, and Great Northern has made formal application to lay mains on streets not now served by Winnipeg & Central.

Any decision to alter the present gas distribution set-up would have to be made by the provincial utility board. It would have to satisfy itself on the financial responsibility and standing of the applicant companies, whether its rates are feasible, and whether as distributors they could get gas supplies.

Winnipeg & Central has absorbed losses each year prior to arrival of natural gas — $596,832 in 1956 and $492,033 in 1955. It plans to amortize losses prior to commencement of natural gas distribution over a 15-year period beginning 1961. Development expenses will be written off during the same period.

Company has spent $5 million already on its distribution system to prepare for natural gas. In 1956 it sold $2 million first mortgage bonds and $2.4 million debentures. These funds were applied to increase distribution plant by $1.6 million, improve working capital by $1.9 million and $900,000 for development expenses, financing costs and to cover operating deficits.

Stone & Webster Canada Ltd. has recently been retained in a consultant capacity.

Outstanding capitalization consists of $4.6 million 4% first mortgage bonds due 1960; $2.4 million 5½% debentures due 1968; and 504,900 common shares. There are also warrants outstanding entitling holders to purchase 96,000 shares at $12.50 each until 1959; $14.50 to 1961 and $16.50 to 1963.

Wainwright Prod.

Wainwright Producers & Refiners Ltd., Toronto, a subsidiary of **American Northland Oil Co.**, owns and operates a crude oil refinery at Wainwright, Alta., having a daily capacity of about 4,500 bbl.

Company owns two gas wells and one oil well and has an interest in 65 oil wells in the Wainwright area.

Net profit of $205,607 for 1956 was up from a low of $96,074 in 1955. Earnings per share were 26c (loss of 17c in 1955). No dividends were paid in either year. Refined gallonage increased to 29,086,000 from 14,257,000.

Earnings jumped to $140,998 equal to 17½c a share in the first half of this year from $27,815 equal to 3½c a share in the same period a year ago.

Earnings in the last half of this year should be "significantly" higher than for the same period a year ago, company says.

Improvement in sales is attributed to a 40% increase in refinery throughout and to greater production from the company's oil and gas wells. Earnings rose because of the improved sales picture and also through the recent increase in prices for crude oil and finished products.

Next year company has scheduled for construction a 3,000 bbl. thermocracker, a 1,000 bbl. platformer and a 1,000 bbl. desulphurization unit.

Deliveries started during May, 1957 on company's jet fuel contract with the RCAF. Asphalt contracts were up about three times those of first half of 1956.

This year company has spent in excess of $300,000 on building and expansion program, and during 1958 plans to spend approximately $1.1 million. This figure does not include sales outlet program for 1958 which is expected to run better than $350,000.

Outstanding capitalization at Dec. 31, 1956 consisted of $770,000 6% convertible first mortgage bonds series A due Feb. 15, 1969 and 805,978 capital shares $1 par.

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